SPECIAL PRIZE ANNOUNCEMENT—See Page 889

SEP 14 1925

The MAGAZINE of WALL STREET

EDITED BY
Richard D. Wyckoff

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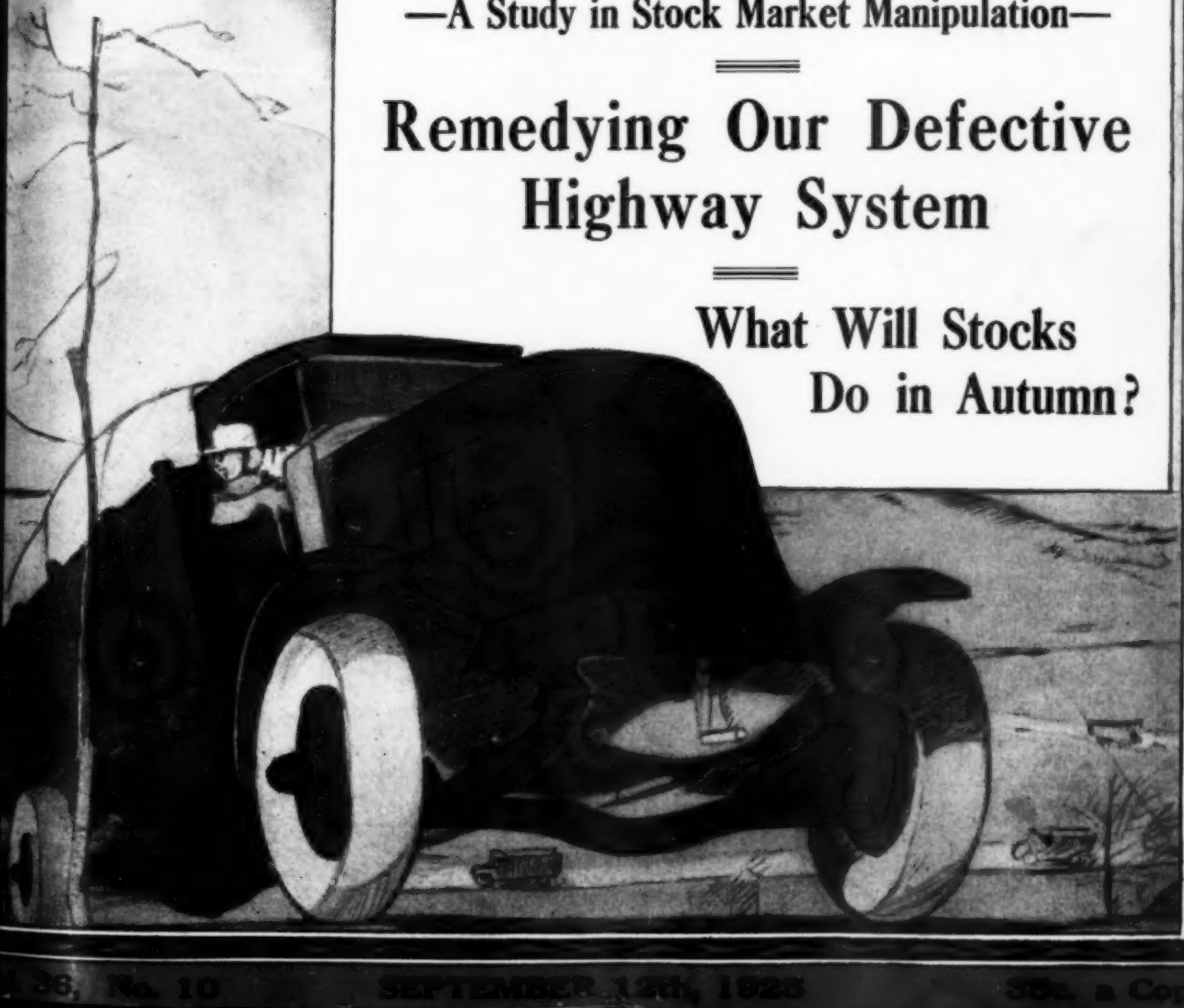
The Insiders—The Pools—and The Public

—A Study in Stock Market Manipulation—

Remedying Our Defective Highway System

What Will Stocks Do in Autumn?



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Vol. 36, No. 10 September 12th, 1925

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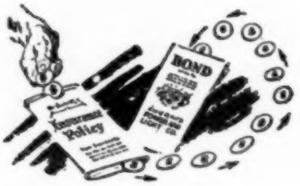

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September 12

With the Editors

About Putting All Your Eggs Into One Basket

WE have at different times referred in this page to various investment methods in use by successful investors. In practically all cases, diversification was the cornerstone of their success. The principle of investment diversification, of course, is based on the idea of distribution of risk. Instead of concentrating on one stock, this type of investor spreads his investments over a number so that if there is a loss in one, it may be offset by gains in others. Unquestionably, this has proved and will always prove the safest course and we heartily recommend the principle to our readers. They ought to avoid having their capital tied up in one or two issues because if these issues "go wrong" they may be placed indefinitely in a weak financial position.

Despite the excellence of the rule, however, great successes have been made in investment and speculation by concentrating all of one's capital in one issue. We are reminded of a man who several years ago bought all the American Water Works common stock he could finance. To our recollection, he accumulated nearly 500 shares of this stock under 20. He subsequently received five shares of new for each share of old and today is holding his 2,500 shares of the new stock valued at current market prices of around 60 at $150,000. On an investment of less than $10,000 this man has a profit of 1400%.

Yet the investment was not due to luck or tips. This investor was thoroughly familiar with the property, had an excellent idea of its prospects, and *knew* that the stock would eventually reflect this in its price. He did not know *when* it would advance but felt he could afford to hold, since the stock was so ridiculously undervalued, when he bought it. He felt that there was no sense in buying stocks with which he was unfamiliar, when he could accumulate a stock which he knew intimately. It seemed therefore more logical for him to put all his money into a business with which he was familiar than to distribute it around among a large group of stocks which he would have to watch constantly.

We know of another man who made a small fortune in Carolina Light & Power which he bought at around 50 and which is now quoted at 400. This man also was throughly familiar with the property and felt he was taking no particularly large risk in its purchase.

We merely cite these cases to show that one does not necessarily have to adopt the principle of diversification to make a great deal of money in securities. In fact, greater fortunes have probably been made in heavy concentration on single issues than through diversified investments. Yet the latter is, after all, the safest course and safety should always be the determining factor for the average investor who should be satisfied with sure, if slow, progress rather than a quick return.

In the Next Issue September 26th

1. *Fifty Common Stock "Switches"*

—at this time in the market it pays the investor to go over his holdings carefully and dispose of such issues as are either unattractive from a fundamental viewpoint and which will lose their main prop when the market declines, or those issues which have advanced too far and which are now on a speculative rather than an investment basis. We have carefully combed the market for these "switch" opportunities and believe this feature in our next issue will be found of unusual value by our readers.

2. *Will Savings Banks Have to Cut Their Interest Rates?*

—an article in which two of the most prominent savings bank officials of the country express an unqualified viewpoint. Savings banks today are restricted to certain investment fields in which the return on capital invested is low. How are they to continue their 4% interest to their depositors? This question is fully answered in our next issue and since it affects practically everyone in the country, be sure and get your copy, for the demand is sure to be large.

3. *Opportunities in Bonds Which Yield 7% or More*

—a list of attractive semi-speculative issues to be used as part of an investment program. Most of these issues contain good possibilities for higher prices.

4. *Special Features*

a) The Anthracite Coal Roads and How They Are Affected by the Strike.
b) Prospects for the Shipping Industry and the Leading Listed Securities.
c) The Ice-Cream Stocks as Investments.
d) What Makes a Bargain in Securities?

The above ought to give you a hint as to the contents of the next number of THE MAGAZINE OF WALL STREET. There are other equally important features. From a money-value standpoint, you will find the next issue helpful to an unusual degree.

An unequaled record of safety

It is about sixteen years since first mortgage real estate bonds, as they are now known, were placed on the market.

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The MAGAZINE of WALL STREET

EDITOR
RICHARD D. WYCKOFF

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INVESTMENT & BUSINESS TREND

Dynamic Changes in Industry of Far-Reaching Effect—Commodity Prices Turn Downward—Railroad Earnings and Outlook—"Stabilization" of European Currencies—The Market Prospect

THESE are days when old industries are being scrapped and new ones are rising to take their place. At no time since the Industrial Revolution has there been such intense activity toward developing improved industrial technique.

The scope and ramifications of these changes in our industrial system are of enormous dimensions. They have affected and will continue to affect all production of types reaching from a change in basic methods of creating energy to simplification of household operation.

For example, the growing use of oil in heating buildings, factories and homes threatens the old-time supremacy of coal. Oil, furthermore, is slowly superseding coal on ocean-going vessels. Oil, rather than coal, is being used more and more as the basic fuel in the creation of electrical energy. This is one of the fundamental reasons for the unsatisfactory position of the coal industry today.

To give another example: The motor bus is steadily eliminating surface lines in many of the less congested districts. The motor bus is also steadily eliminating the railroad branch line in sparsely settled localities. The railroads appreciate the formidable competition of the motor bus and the motor truck and are commencing to use these vehicles in increasing quantities as adjuncts to their services.

The radio has crippled the phonograph industry.

The electrically-driven household refrigerating device will gradually supplant the ice-man.

The aeroplane in several years will be carrying all the first-class mail, supplanting the railroads in this branch of their service.

The rise of these new industries involves the greater use of many basic commodities: thus, steel, copper, lead, lumber, cotton, leather, glass. Accordingly, the destruction or at least partial elimination of old industries is more than compensated for by the rise of the newer industries. The need for labor is not lessened but becomes intensified. The motor-man of an abandoned street-car line becomes the chauffeur of the motor-bus which takes its place. The man who used to make phonographs now makes radio sets. The ice-man goes to work in a factory which makes automatic refrigerating machines. And so forth and so on.

As consumption of these new devices and services increases, earning power of the masses is increased. It makes for better business and more comfortable inhabitants. But, it should be noted, it is a time which renders imperative that investors take note of these changes because the status of their investments must inevitably be changed in the transformation of these industries. Some will be benefited and some will be harmed. The investor should determine how his investments will be effected.

PRICE OUTLOOK

DURING the past few weeks, commodity prices have commenced to decline. There have been a few exceptions. The declines have not been of great consequence and it is difficult to draw any significant conclusions from the changes which have occurred. It is obvious, how-

ever, that consumers cannot be led into markets which have risen considerably. They appreciate, as does the whole world, that shortages of supply do not exist. Consequently, they feel that if they wait a little they will be able to secure what they desire at more attractive prices than prevail. This is merely another way of saying that the productive capacity of the country is still in excess of consumption and that the outlook for an extended advance in the mass of commodities is not particularly brilliant. On the other hand, the underlying demand is of such proportions as to act as a substantial cushion to any fall. Probably, the average of commodity prices will be more or less stabilized at current levels for a period.

THE RAILROADS

JULY earnings at hand indicate that a number of the carriers have made substantial gains in their net as compared with the previous month. Car loadings for weeks have been over the million-mark, a point where the majority of carriers generally make satisfactory showings. The rise in railroad security values during the past two or three weeks is simply by way of discounting the increase in earnings which is expected during the balance of the year. Important merger developments are expected in the next few weeks which should have a further stimulating effect on the values of railroad stocks. While the industrial classes of stocks still lead in popularity, railroad shares are attracting an increasing amount of favorable attention on account of the satisfactory performance of these companies.

FOREIGN CURRENCY "STABILIZATION"

THE sharp decline in the Polish *zloty* from a par of 19.2 cents to current quotations of 17 cents, which has taken place in the past month is especially significant since the zloty is one of those currencies supposed to be on a gold basis and, hence, stabilized. Similar "stabilized" currencies are those of Austria and Germany. Incidentally, the depression in Austria is even more acute than in England. The stabilization of its currency, contrary to popular impression in America, has not done it much good.

Unbiased observers agree that the so-called stabilization of European currencies is artificial and many believe that it is premature. Poland, for example, can with the greatest difficulty maintain the zloty at par because her import balance is tremendously in excess of her exports. Most of the other European countries are similarly handicapped. International rivalry is so fierce, these countries are so impoverished that there is not enough business to go around, and that which is available is eagerly sought by all nations. The least equipped, from an industrial viewpoint, naturally suffer the most.

This brings us the question whether Europe can really derive some benefit from the stabilization of her exchanges at this particular time. A number of European economists are opposed to stabilization. Judging by the current debacle in the Polish zloty, it would seem that a certain degree of skepticism over the outcome is warranted. Incidentally, it should constitute one of the reasons why American investors should be cautious in regard to the purchase of European securities.

BONDS

BOND values have held remarkably well considering the increase in money rates. They are still, nevertheless, below their highest point of a few months ago. It seems inevitable that money rates will advance again and this should act as a brake on any tendency for bonds to advance. Even at the lower prices now prevailing, bonds are unattractive on a yield basis, except in the miscellaneous group of middle-grade and speculative issues but these, of course, are not the sort to appeal to the more conservative types of investors.

THE MARKET PROSPECT

SPECULATIVE stocks were under pressure, a good many of the leading market performers suffering severe losses. Liquidation has been much in evidence during this period, but it has been confined chiefly to stocks which have been in the speculative limelight. Investment issues, on the whole, held themselves comparatively well. At this writing, a technical recovery is in process but fundamental conditions appear against a resumption of the advance except in individual issues which on sheer merit are worth higher prices. A more complete review of the market will be found on page 886.

Friday, September 4, 1925.

The Insiders—The Pools—and The Public

How Manipulation by "Inside" Pools Operates to the Disadvantage of Investors

BY RICHARD D. WYCKOFF

IF a Wall Street Bible were to be arranged, it would probably contain "The Book of Daniel Drew," by Bouck White. In Chapter XVI of this interesting slice of Wall Street history we find the following, by Daniel himself:

"It is always an advantage in Wall Street operations to be on the inside of a railroad or a big industrial concern. You know, then, the monthly earnings before they are given out to the public. You get earliest notice of any favorable or unfavorable happening. You have access to the transfer books and know where all the circulating stock is. Any dangers that have arisen to the road's property, or any new connection favorable to the road's earnings capacity, is known to you long before the outside investors have got the tip. So that you can go onto the Stock Exchange and speckilate in those shares with your eyes open, whilst the rest of the speckilators are going it blind. An insider's position is as good as money in the chest.

"Besides, I had now another advantage as well. Not only could I predict well-nigh every turn in Erie shares. I could do even better. I could make it turn in either direction I choose. I had the horse by the halter, so to speak, and could lead him where I wanted. If my operations on the Stock Exchange made it needful for the stock to go up, I could give out that the road was prosperous—and her stock would go up. Or if I was in a bearish temper and wanted her shares to slump, I could make the road unprosperous for a time, and then stocks would go down to the point where I wanted them."

The interesting episodes described in the accompanying box occurred some sixty-odd years ago, and it would not be fair to say that Daniel Drew's methods are being duplicated in Wall Street today. But let us go back twenty-five years, when John W. Gates and his associates were manipulating the stock of the American Steel & Wire Co., which they had recently formed. A friend of mine met this crowd in the Waldorf one evening, and said, "Hello, Mr. Gates! How's your Steel & Wire Co. getting on?"

"Not so well, not so well," said Gates. "We've just closed the plant."

"Why is that," inquired my friend; "business falling off?"

"Oh, no," promptly responded Gates. "We're all short of the stock."

Many stock market happenings, involving the rawest kind of manipulation, have marked the intervening years. For example, a certain oil magnate of doubtful reputation created a company characterized by a prodigious number of shares. Whether he really thought he had a genuine oil company which would eventually justify their artificial market price of the stock, I cannot swear; but the gentleman's past record indicated that he was merely looking for suckers. He hired a prominent stock market operator, saying to him: "Sell these for me." And the operator did. The latter's profit was some two million dollars. How much the promoter realized, I leave to your guess. The receivers have not yet been able to get the company on its feet.

THIS publication takes the position that manipulation of a company's securities by its officials is indefensible from an ethical viewpoint, and that it is poor business all around. In order to go more fully into this subject, we intend to print a series of articles giving current instances of this type of manipulation. We invite inquiries on the subject from our readers. If they believe their securities are being unduly influenced by the officials of their company, let them write to us. If warranted by the facts, we shall give the fullest publicity to these situations.

The controlling interest in a certain low priced railroad stock a few years ago saw a terrific slump coming in the market. What did they do? Go out and sell? No, that might have resulted in falling quotations and scaring off buyers. They too brought in a hired man and he organized a pool based on the false premises that this stock at its present market price was a great bargain and that if a lot of it could be corralled there should be about 50% profit in it. I am giving this manipulator credit for not knowing any better. Had he taken precaution to learn the relative value of this railroad stock compared with some others selling at lower prices, earning more money per share and far more attractive from every standpoint, he might not have organized the pool. But let us say he honestly believed the possibilities were liberal in proportion to the market price and that he sincerely believed he could show the pool a profit. His reward was to be a share of the profits without any risk.

Well, as soon as he got his people all lined up and he had buying power enough for a round lot of shares, he proceeded to acquire them. He gathered them all in within a very narrow range. This alone should have made him suspicious; but it seems that it did not. Strength in the market later enabled him to unload, with a 25% profit. He waited for a reaction and bought the whole line back. Then came the anticipated slump and members of the pool were asked to take up their pro rata share of the long stock, which was then selling at almost half what had been originally paid for it. The resulting loss of several hundred thousands, when divided among a number, was not so much per man on the average. The interesting part of the event was that both the manipulator and his followers had merely been used by the insider to take off his hands a round lot of stock which could not very well have been sold out in the market. When the pool had acquired all of its original stock the insider was out of all of his. Thereafter the proceeding did not interest the insider until the smash came, when possibly he picked up, at a shrinkage of one-half, what he had formerly sold out.

There is nothing new in all this. Manipulation began long before the days of Daniel Drew, temporarily an actor in the continuous performance, and it has proceded merrily ever since. It has differed in detail but not in principle. On today's ticker tape there are hundreds of footmarks of pools,

How a Famous Speculator Manipulated Erie Shares

Chap. XVI, "Book of Daniel Drew," by Bouck White

"I worked it something like this: Erie shares would be selling say at ninety. I would give orders to my broker to sell Erie heavily short. By selling short, a Wall Street operator puts out contracts to deliver the stock, say sixty days from that date, at present prices. If within those sixty days the price goes down, he can buy at the lower price and collect at the higher price named in the contract. Well, after I had got my short contracts placed, the other fellows, of course, taking my offers, because they figured that the shares were likely to go up rather than down, I would give out a statement to the effect that I, as owner of the chattel mortgages on the road, was about to foreclose. Or I would have one of my underfellows get out an injunction forbidding the road to pay any more dividends; or I would start a rumor that the road was going to rack and ruin. Immediately there would be a panic in Erie quotations. Her shares would slump; and before the sixty days were up, that former price of ninety would have shrunk to, say, sixty-five. So that now I would buy my shares at sixty-five, sell them for that contract figure, ninety, and thus pocket $25 clean profit on every share dealt in. If this particular deal had amounted to fifteen or twenty thousand shares, and I cleaned up $25 on every share, any one can see what a fine little sum it would amount to.

"Thereupon I would turn round and work it the other way. I was now short of the stock—that is, was sold out. I would therefore buy large blocks of it at the low figure of $65 a share. Now it stands me in hand to have the stock go up in value. So I give out a statement to the effect that my little difficulty with the road, which had been noised abroad some weeks before, has been settled; I have decided not to foreclose my chattel mortgage after all—the road has found a way to fix up the matter with me, is very prosperous, in fact is likely to declare a big dividend shortly. Immediately, with these refreshing rumors spreading abroad, Erie stock begins to go up. By and by she touches again the top-notch figure, say, ninety. Now I sell, and this way clean up $25 more on every share of stock I had dealt in.

"This is the advantage of operating from the inside. You win both going and coming. When a stock is going down you are a Bear, and make money by its fall. When the stock is going up, you are a Bull, and make money by the rise. In fact, I worked this so prosperous, that after a while they made it into a kind of proverb. It got to be a saying around the street: 'Daniel says up—Erie goes up. Daniel says down—Erie goes down. Daniel says wiggle-waggle—it bobs both ways'!"

manipulators, insiders and victims, but unless you are adept you cannot readily recognize these; to the uninformed, everybody's stock looks alike on the tape. That hundred shares of XYZ that just came from under the wheel, may have belonged to a widow or orphan; it may represent part of a 100,000 share lot being liquidated by the astute president of the corporation. To say that no one knows, would scarcely be correct. A few people know what and when he is doing anything, but as a rule it is carefully covered.

As Daniel Drew said: "An insider's position is as good as money in the chest." For Wall Street to say that this is "characteristic" and "to be expected," and to mention other familiar phrases from the catalogue of excuses, is to give manipulation the same dignity as bootlegging, but that does not make either bootlegging or manipulation legal, ethical or justifiable.

Let us consider some of the minor phases of manipulation: The stock of a certain company is lying dead around 40. Average transactions are 200 or 300 shares a day. Price range, a point from high to low, within a period of a week. Then follows a week or two of quiet picking up of the shares, which, towards the end of the fortnight, results in a price of around 45. There has been no excitement; few people have observed the signs of strength in the stock and although transactions have averaged 2,000 or 3,000 shares a day they have been so scattered as not to attract any attention. Suddenly the trading begins to get very lively. Ten to fifteen thousand shares a day are traded in, within a range from 45 to 46¾. Next day 48½ is recorded, and the following day on trading of 35,000 shares, the stock ranges from 49 to 50. Thus the market value of that company's shares has increased 25% without any information being given to the public as to what it is all about. Stockholders have not been notified of any change in earnings, outlook or financial position. The rise is a mystery—except to a very few insiders. After the close that evening, the company issues a very excellent six-months' statement which appears in the following day's newspapers, newstickers and slips. The president indicates that the executive committee will meet some time during the week and that possibly the stock may be placed on a 4% dividend basis; that further increases may be in order if earnings continue at the present rate, viz, over 10% on the common shares.

Being thus appraised of these developments some of the stockholders who paid 40 for their shares and who have taken a one or two point profit, proceed to buy back their stock. The public regards these shares as rather attractive. A lot of gossip gets into the newspapers. The matter is discussed in brokerage offices, and when a few days later the directors actually declare a 1% quarterly dividend and the stock rises to 52, everybody feels happy—except the former holders who, in their ignorance of what was going on, sold out in the low 40's.

Now I am taking you into the kitchen and showing you how the meal is cooked when I say that of course the quiet buying from 40 to 45 was inside-pool buying. Whether it included the chairman of the board, or the treasurer, or a few of the large stockholders who were "very close" is a mere detail. The point is that certain group of those in the management or allied thereto took advantage of their advance knowledge of the situation to buy all the stock that could be found around the 40-45 range, to say nothing of additional shares from 45 to 49, with the result that when the announcement was made and the former stockholders began repurchasing, and the public commenced buying, those insiders were there with the shares to supply that demand. In other words, insiders made a profit by selling to outsiders who did not buy at 40 but at 52.

Wall Street has been doing that sort of thing so long that it is regarded as "the regular thing"—like the host who mixes a cocktail before dinner. He and his guests may explain that they are protesting against an infringement on what they regard as their Constitutional rights. But in the case of the insider there is no such supposed justification, any more than there was for the robber barons who used to descend upon travelers along the Rhine.

In so stating I am making myself

very unpopular with a lot of shrewd people, who have been feeding at this trough for a long time, but in the interests of the largest aggregation of investors who have ever given their combined support to an American financial publication, I am asking Wall Street to give the public a square deal.

No one can deny that the deal is not a square one when the cards are stacked and marked. When an insider himself, or through the organization of a pool, directly or indirectly participates in the manipulation of a stock, he is stacking the cards against the public.

As I understand it, stockholders are partners. They do not elect the directors every year, but only when a company is first organized. After that the directors are a sort of self-perpetuating board in whose hands the management of the company rests. One would think from the way some directors carry on stock market operations that upon acceptance of this office they adopt the following resolution: "Having been elected a director, I will use my best efforts, not only in the management of this company's affairs to the end that its financial position may be strong, its earnings stable and its future prospects amply secured, but I will make sure that through my inside knowledge I personally benefit to the very limit. I will see that the auditor's advance estimate of earnings reaches my desk before any others, if possible. I will keep in close touch with all the other directors and officers, to say nothing of the sales department. Thus, when any improvement in earnings is in sight, I will be able to get my stock before the others begin to buy, and will have the delectable privilege of disposing of my shares whenever I think they are either high enough or the general public, including some of my stockholder partners, become too enthusiastic over its future. While my fee for attending directors' meetings is merely nominal, I can see where a very considerable amount of money can be made by me each year, anticipating the movements of the stock on the Exchange. Confidentially, instead of accepting these fees, I might well afford to compensate the company for letting me sit on the Board of Directors."

In certain respects Wall Street management of corporate affairs has shown a marked advance in the past twenty-five years. It might even be said that the Street has started to get rid of this sort of thing, but cannot greater progress be made? At present one of the chief complaints against insiders is that they are too fond of keeping their mouths shut; that even though they do issue quarterly statements, many things can and do happen over night. If stockholders are partners, why not treat them as such? Why not keep them advised by means of monthly reports mailed to every one of them. The expense would be trifling; the benefits would obviously be inestimable.

Officials Should Deny Printed Lies

When a Wall Street pool unwarrantably marks up the price of a stock 25% over its estimated value, why don't some of the company's officials deny the lies that are being printed, and do it promptly? To delay until the stock is marked up and distributed to the gullible, is merely to arouse a suspicion that the insider is one of the gang.

With all the thousand stocks listed on the Exchange, are there not some that afford opportunities for money making without resorting to the practice of deception of one's fellow stockholders?

By this I do not mean that all Wall Street corporations are run by their respective sets of manipulators, for such a statement would be far from the truth. Nor can I be expected to say just which one does and which one does not. There are numerous examples of concerns in which the insiders pay practically no attention to the stock market and who never furnish the basis for nor take any part in pool operations. But then there are others who must be regarded as different; who print just as few reports and give out just as little information as they possibly can; who, either for themselves, or for a coterie whom they hire or participate with, juggle their stocks in the market to an extent which is open to severe criticism.

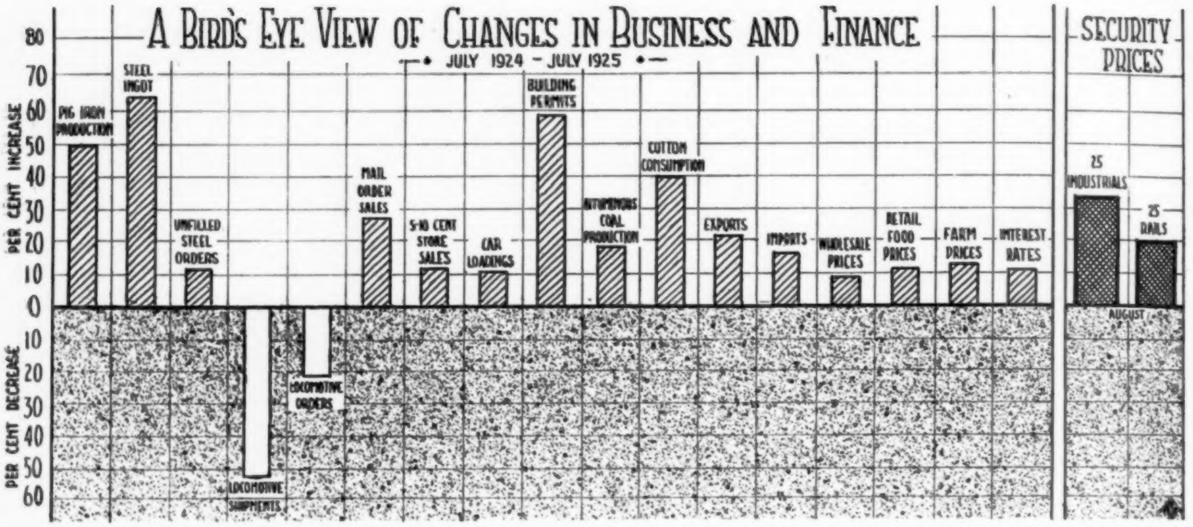
The New York Stock Exchange is prompt to take action upon any case of manipulation brought to its attention, but as we all know, it is even more difficult to eliminate manipulation than bootlegging, nevertheless I thoroughly believe that Wall Street will some day wake up to the fact that in its own best interest manipulation, pool operations, and the old game of the insider against the outsider, will become obsolete; for although there may be a lot of money in skinning the public (it is nothing else), it will be a better Wall Street and a safer place for the speculative and investment money of the country when it has been purged of these highly questionable practices.

The "Insider" at Work

What Will Stock Market Do In Autumn?

How Much Longer Can Cheap Money Last?—Extent of Business Recovery—Probabilities in Various Security Groups

By E. D. KING



THE tendency to speak of the stock market in terms of a unit ought to be discouraged. Anyone familiar with stock movements during the year will agree with the statement that there has been no uniform stock market trend in the ordinarily accepted meaning of that term but rather a series of trends taking place simultaneously in the various groups and individual stocks. The result is that when one focusses attention on the enormous advances made by a great many stocks, he is likely to lose sight of the fact that perhaps an equal number have either not made much headway or have actually lost ground.

This is not to dispute the fact that there has been a bull market but it has been a bull market limited to specific groups and assorted individual issues and not typical of the mass of stocks. To be more specific, this year which certainly marked enormous appreciation in the market price of leading speculative issues has also marked either serious declines or comparative lassitude in such groups as sugar, coal, textiles, railway equipment, radio, petroleum (leaving out of consideration a brief interlude when these stocks advanced), metals and automobile accessories. Steel stocks with one or two exceptions are lower than at the beginning of the year. There are, furthermore, a considerable number of miscellaneous issues of the type of Worthington Pump, Savage Arms, Congoleum and Corn Products which have sagged from almost the beginning of the year with practically little interruption.

In what respect then has this been a bull market? In the following groups, in particular: public utilities, rubber and tire (to a smaller degree), railroads and a considerable number of miscellaneous issues, most of which are in the high-priced class. Among the latter are: American Can, Mack Trucks, International Business Machine, General Electric, General Railway Signal, Nash Motors and some others, a few which are listed in the accompanying table.

A Two-Sided Market

What we have had clearly has been a two-sided market and it would be equally true to say that we have had a bear market in certain groups as to state that we have had a bull market in others. This, in fact, has been the distinctive quality of the market during practically the entire year, a feature which many commentators seem to miss. Indeed, there have been only two relatively brief occasions in the past year in which the mass of stocks moved in the same direction. The first was the advance after Coolidge's election last November and which lasted a few weeks, and the second was in March when the market suffered an acute case of vertigo and practically the entire list slid off for several weeks. Aside from these two periods, stocks have moved strictly in accord with the prospects for their companies and hardly in reference to the general market.

For the purposes of this article, therefore, we shall dismiss from consideration that very large group of stocks which have not participated in the advance and confine ourselves to those issues which have genuinely enjoyed a bull market.

Without exception, it is true that the underlying base of the extensive advances in these issues has been cheap and abundant credit. The pools in charge of the operation of these stocks at no time

this year have had to contend with an adverse money market. The banks were very obliging to such interests and since the earnings and financial position of the companies affected were satisfactory, it was a comparatively simple matter for the pools to manipulate these stocks upward.

The solution of the problem then of the future value of stocks depends on an analysis of the money supply situation. If money remains cheap and abundant, a protracted decline in stocks will probably not soon occur unless, of course, there is a major adverse influence like war in Europe or some other calamity. If, on the other hand, the money supply shortly becomes restricted and rates are advanced materially, it is altogether probable that regardless of the course of business, the general decline which is heralded in some quarters will come about within a brief period.

When the English bank rate was cut a few weeks ago, it was believed in ill-informed quarters that the Federal Reserve rediscount rate would be similarly reduced. This has not occurred to date nor is it likely to. The Federal Reserve authorities have been regarding the recent inflationary tendencies with some concern. To maintain a stable banking situation, the Federal Reserve Board cannot countenance or at least encourage underlying inflationary influences. Were they to do so, they would have to take the risk of being responsible for creating a new period of inflation with its attendant evils of over-extended credit, high money rates and consequent deflation. Besides, the activities of business are increasing at a rather rapid rate and the reserve lending power of the banks is being diminished.

This is a fact which has not had general appreciation. Up to several months ago, the banks were loaded up with great quantities of bonds, the only vehicle which they could use for the bulk of their lending power. Demand for commercial paper had shrunk owing to the lessened volume of business and the amount of foreign loans had fallen off.

The situation has changed considerably since the spurt of activity in business. Federal Reserve rediscounts for example, are some 317 millions higher than a year ago, accompanied by a shrinkage of 209 millions in Government securities, so that the banks have evidently been selling their bonds to meet the increasing demand for local credit. In the face of such a situation, is it likely that the Federal Reserve will attempt to make credit easier by reducing the rediscount rate? Furthermore, since the Italian credit of 200 millions and, owing to the Belgian debt settlement and the approaching settlement with France and Italy, it is very likely that there will be considerable increase in foreign flotations during the balance of the year and into next year. This would tend to absorb further credit and raise rates.

The farmers, it is considered, have made some strides toward liquidating their "frozen" credits. This is true but it ought to be noted that such liquidating hardly affects the current situation as they have to do with debts long since due. Furthermore, the farmers are buying more heavily and show a slightly increasing disposition to borrow from their local banks. Manufacturing centers, too, are making renewed demands on the local banks for credit. Retailers are stocking up and this also requires financing.

It ought to be clear from this that the general tendencies shaping money rates are such that a decline in the present level is practically impossible. On the other hand, the speed with which credit requirements are increasing indicates a considerable shrinkage on reserve lending power with more than an even chance for a higher money rate in autumn. Furthermore, while there are no official figures on the subject, it is understood that brokers' loans are now at the peak for several years. Certainly, the rise in stocks has absorbed a tremendous amount of credit and the fact that brokerage houses have voluntarily increased the margin requirements of their customers shows which way the wind is blowing. In some quarters, it is said, perhaps maliciously, that the voluntary increase in margin requirements of brokerage houses was not as voluntary as seemed but was prompted by the banks themselves.

Stocks Which Have Had Unusually Large Advances This Year.

	Price Jan. 2, 1925	High	Points Advanced
American Can	162	248	86
Brown Shoe	72	138	66
Chrysler Corp.	[1]36	149	113
Coca-Cola	81	146	65
Du Pont	139	201	[2]62
General Electric	316	337	[3]86
Gen'l Ry. Signal.....	[4]144	367	223
Havana Electric	[5]112	234	122
Int'l Tel. & Tel......	94	144	50
Mack Trucks	119	238	[6]137
Nash Motors	200	448	248
Otis Elevator	91	138	47
Postum Cereal	102	143	41
Sears, Roebuck	153	216	63
Utah Securities	44	[7]138	[7]94
Ward Baking "A"...	[8]121	170	49
Westing. Air Brake..	108	144	36
White Motors	72	104	32
Woolworth	124	172	48

1. Maxwell Motor "B," later exchanged, share for share, for Chrysler stock.
2. Including 40% stock dividend.
3. Points advance including "melon" paid to Gen'l Elec. shareholders in Electric Bond & Share Securities.
4. Listed in June.
5. Listed in May.
6. Points advance including "rights."
7. Figured on recent exchange: Utah Securities Stockholders exchanged one share of Utah Securities for four shares of Electric Power & Light ctfs. and $10 in cash.
8. Listed in February.

Investors ought to go over their holdings and eliminate the more speculative types of issues, especially those which have enjoyed tremendously large advances this year. By doing so, they will increase their cash resources and thus be in position to secure stocks at attractive prices, if the market declines.

The state of business itself is improving. Small merchants in various parts of the country are still complaining it is true, but the bigger companies are well placed for autumn business. The general volume of trade, taking the country as a whole, is as high as at any time since the ending of the war.

Stabilization of foreign currencies, debt settlements and the like is held to hold possibilities of an increase in our export trade. This may further increase American business activities but it should be noted that with all the so-called improvement in the European economic structure there is still much to be desired from the viewpoint of our export possibilities. Imports, in fact, are increasing if anything at a faster rate than exports and the long trend favors a situation which will eventually result in an adverse balance of trade for the United States. This is a long-term consideration, however, and should not be given weight as a factor in the present situation.

Investment Outlook

So far as the various large classifications of securities are concerned, it is important to note that the general price of investment securities is downward. High-grade bonds have slipped and will probably continue to do so for some time. High-grade preferreds have reached a level where yields are rather low and, hence, unattractive. Some investment stocks, it is true, are advancing somewhat but others are commencing to reflect the adverse influence of higher money rates.

The speculative issues, particularly those which have had great advances, are obviously in an extremely vulnerable position. With the prop of easy money removed, it is more than probable that important declines in such issues will be in order. It is not to be forgotten that in the bullish atmosphere surrounding this type of issue, the fact has been lost sight of that they have discounted their position for several years and that even were their dividends to be increased two and, in some cases, even three times, they would still be unattractive from an investment viewpoint. Many of these issues have been inflated beyond all reasonable value and have been sustained by easy money and a great deal of fantastic talk of earnings, "stock melons," mergers and the like. This sort of thing usually accompanies over-extended advances in the market and it may not be amiss to assert that about three quarters of the current optimistic talk is manufactured out of the whole cloth by the pools who are running these stocks. The investor who is caught in the next decline with securities of this type will certainly regret the day he bought them, for their recovery this time may not be rapid.

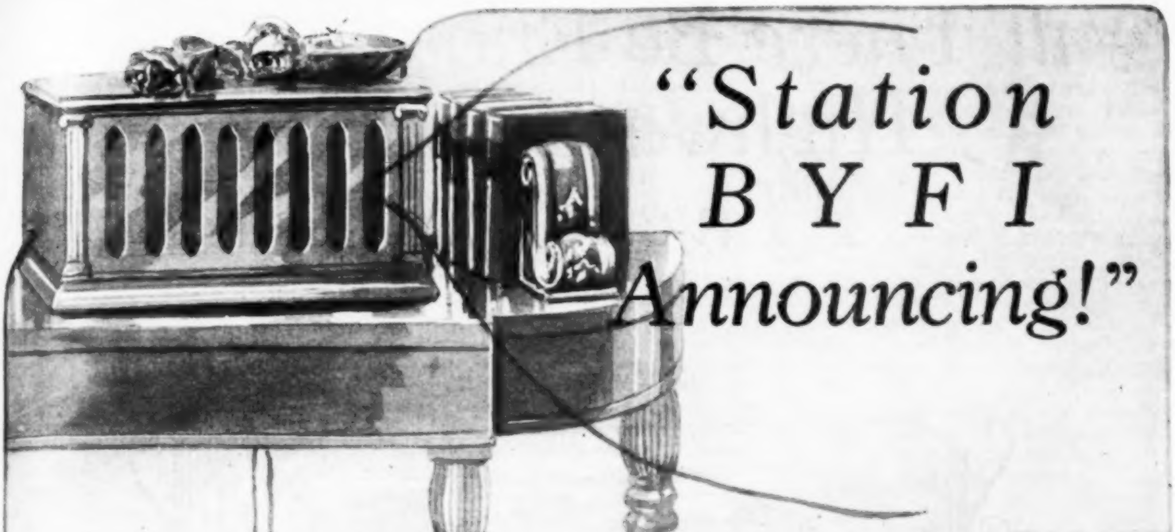
From the facts given above, it may be adduced that we are rapidly approaching a time when the general direction of those stocks which have advanced throughout the year will be reversed. The other large group of issues which had not advanced obviously will suffer the least when the decline materializes, since they had already more or less discounted the unfavorable conditions which prevail in these specific industries.

NOTE: Since this article was written, the market has already to a certain extent verified the expectation of an important decline in the more spectacular speculative issues. Stocks of the type of American Can, General Electric, Mack Truck and Sears, Roebuck have already had wide declines. This recent event should be construed as a danger signal to those who would be tempted to enter such speculative commitments even on the basis of the lower quotations which now obtain as a result of the reaction.

Stocks Which Declined While Others Were Advancing

—this list could be greatly expanded. Note that in each case these stocks have not only declined materially from their year's high but are actually selling under their prices at the beginning of the year.

	Closing Price Jan. 2, 1925	High 1925	Low 1925	Recent Price	Points Decline from High
Baldwin Loco	132	146	107	117	29
Barnsdall "A"	24	30	19	20	10
Chandler Motor	37	39	28	31	8
Congoleum-Nairn	43	43	22	24	19
Cuba Cane Sugar pfd.	59	62	41	43	19
Cuban Amer. Sugar	30	33	22	24	9
Gen'l Amer. Tank Car	53	58	45	46	12
Martin Parry Corp.	36	37	20	21	16
National Supply	62	71	57	59	12
Pacific Oil	56	65	52	55	10
Pan. Amer. "B"	67	84	61	62	22
Ry. Steel Springs	136	141	123	127	14
Schulte Retail Stores	114	116	103	103	13
U. S. Cast Iron Pipe	167	250	132	172	78
Worthington Pump	78	79	36	39	40



"Station B Y F I Announcing!"

"The Annual Prize Contest conducted under the auspices of the Building Your Future Income Department, is now in operation for the year 1925.

"This year, there will be three prizes, as follows:—

"1st Prize—One Hundred Dollars

"2nd Prize—Fifty Dollars

"3rd Prize—Thirty-five Dollars

"The prizes will be awarded, in order of merit, to the three readers of THE MAGAZINE who submit, on or before Monday, October 26th, 1925—

"THE THREE ARTICLES DEEMED BY THE EDITORS MOST DESIRABLE FOR PUBLICATION IN THE BUILDING YOUR FUTURE INCOME DEPARTMENT.

"Contestants are given entire discretion as to (1) Length, (2) Subject, (3) Style of Treatment. Articles may be analytical, constructive, critical, humorous or otherwise. Every article submitted will receive the careful consideration of Judges (the Editors) provided (1) it be legible, preferably typewritten; (2) it have specific application to the general field covered by the B Y F I DEPARTMENT.

"Every reader is eligible as a contestant. Articles not prize-winners will be carefully considered for publication, regardless; AND WITH THE CONSENT OF CONTESTANTS all available manuscripts will be held for publication and paid for on publication.

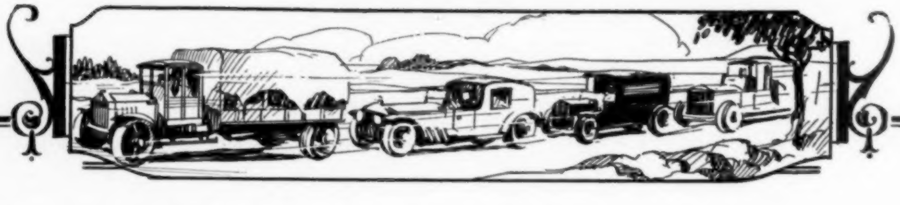
"Remember: Any article appropriate to our field, legibly written and submitted on or before October 26th will be eligible for consideration. START WRITING YOUR ARTICLE NOW!

"Station B Y F I signing off until this time two weeks hence . . . —Good night. . . ."

Will There Be Enough Highways for Our Twenty Million Cars?

America Must Awake to An Urgent Need Or Jeopardize Entire Industries Involving Billions of Dollars

By WM. A. McGARRY



THE huge automobile industry, and its allied industries, represent an investment of billions of dollars. Moreover, we have become so dependent on automobile transportation as to make us completely dependent on its services. Are we doing our best to preserve the prosperity which has been created through the automobile industry? Are we giving sufficient thought to the need of more and better roads? Are we content as taxpayers to allow wasteful and inefficient methods of road financing to continue? This is a matter which affects every one of us. How much do we know about it? And if we do know, what are we going to do about it? Here is something which should engage the lively interest of every American. When you have read this article and the one which is to follow, make up your mind whether you agree with its conclusions and, if you do, write your Congressman or Senator, get in touch with your local authorities and compel them to take action. Get behind the program: MORE AND BETTER ROADS!

IN 1895, four automobiles were built in the United States. Unless something wholly unforeseen should occur between this writing and the end of the current year, the thirtieth anniversary of the automotive industry will be marked by a production well above the figure of 4,086,997 achieved in the banner year of 1923. In all probability the registration of motor cars and trucks will have approached the twenty million mark by the end of 1925, and if the percentage of increase maintained during the last three years continues into the first few months of next year the taxpayers of the United States will face the problem of what to do with more than twenty million cars.

The Investor's Interest

The taxpayer—and particularly the investor, if the terms are not synonymous—is far more concerned with that prospect than may appear at first glance. Interest in and dependence on the motor car cannot be confined any longer to owners of automobiles and trucks and those identified directly or indirectly in the manufacture or distribution of these and allied products. The time has passed when the automobile may be considered as a luxury. It has become an economic factor of first importance in its own right, and in addition it has synchronized itself so thoroughly with all the activities of the country—business and social—that it may not be regarded as a separate entity.

The two outstanding reasons for this situation are obvious enough. One is the commonly known fact that the industry now holds undisputed first place among American manufactures, with an output value at two billion dollars and a total expenditure by purchasers and owners of eight billion dollars a year. The second is the tremendous share of the country's transportation burden now carried by trucks, motor buses and even privately-owned automobiles, not only as adjuncts to existing systems but in providing essential services for which the railroads were not and could not be equipped save at colossal expense.

And yet, in spite of all that has been printed about the phenomenal growth of the industry and the development of these special services, the investigator cannot fail to be impressed with the idea that the great bulk of American taxpayers and investors have not been aroused to the importance of concerted action for the preservation of that prosperity of which the automotive industry has become a barometer. This is shown first in a total lack of uniformity in gasoline taxes, motor license fees and personal property taxes on automobiles in the various states. It is indicated again in forty-eight varying programs for road building, although the utmost credit must be given

to the U. S. Bureau of Public Roads and the Association of State Highway Department officials for unremitting efforts to standardize construction. But most of all, in the opinion of tax experts and business men, it is proved by the continuance of Federal "luxury" taxes on the motor car, adopted as a war measure and now yielding a total far above that of war years, *less than half of which is used in the Federal Road building program.*

Investors who have been impressed with the glowing statistics of the growth of the industry may therefore find it to their advantage to look forward a few years. The question of what to do with twenty million motor cars is to be answered, in the opinion of all authorities, only by concerted action. Counting all the roads in the country—sand, gravel, macadam, concrete, brick and all other types, improved or otherwise—that registration figure will mean seven cars to the mile. There are 2,866,061 miles of public highways in the United States—to say nothing of 26,000 miles of section lines in Oklahoma designed as roads but never opened for general traffic, and one need not be an expert to understand that a mile of road will accommodate more than seven vehicles without crowding. If time were no object there would be no problem, and investors might look forward with equanimity to years of continued expansion of the industry before beginning to worry over anything but local congestion.

Roads Actually Available

Unfortunately, however, time is of the essence of modern transportation, and it is a vital factor to the motor car, passenger or truck. In order to get an intelligent picture of the problem facing the country it is necessary to inquire into what kind of roads are available. The National Automobile Chamber of Commerce is authority for the statement that the country boasted 470,000 miles of surfaced highways—federal, state and local—on January 1, 1925. A little figuring of that mileage brings the cars per mile—on the basis of the present estimated registration of 17,591,-981—up to 37, and the "wide, open spaces" on the highways begin to shrink.

But even that doesn't tell the whole story. It is necessary to ascertain the type and condition of surfacing in order to determine whether they are suitable for present day highway requirements. Every motorist knows that some of the worst stretches of road in the country are to be found on highways well surfaced years ago, and since then permitted to fall into disrepair. When the condition of the old neglected roads in the 470,000 surfaced miles is taken into account, it becomes evident that even the figure of 37 cars to the mile does not present an adequate picture of the situation.

Opinions as to the serviceability of these roads differ so widely, however, that it is rather difficult to arrive at anything like a general estimate. Many of them were never built to withstand the terrific impacts of modern heavy trucks, or the high speeds of passenger cars. If all of these roads were subjected to an equal traffic average, based on the number of cars of all kinds now in service, thousands of miles of highways now designated as "surfaced" would be next to impassable. The only way to indicate the cars per mile of improved and maintained roads in all the states would be to present forty-eight different sets of tables.

Since that is impracticable—if only because of the varying local views on what constitutes an improved road—the only way to get at a summary of the situation is to use the figure of the Federal Aid Highway system. This includes 174,350 miles of roads connecting at the state lines and forming a comprehensive net-work of the entire country. It is more than a mere cross-section of the total national mileage; it is a cross section of the busy and important roads, both local and national. The Federal Highway act of 1921 provides that to benefit by its provisions each state must lay out a system consisting of not more than 7% of the total mileage of roads in the state, of which not more than three-sevenths are to be primary roads of interstate importance, the remainder to be secondary roads, of intercounty importance.

Figures made public by the government show that up to the first of this year approximately 120,000 miles of this system had been improved. Now the significance of this figure lies in its division, which shows that only 55,000 miles of the improvements were performed with Federal aid. This means that 65,000 miles of highways included in the system approved for Federal aid have been improved at state, county or township expenses. In other words, their state, county and local importance was such that they could not await their turn in the Federal aid program.

140 Cars Per Mile of Improved Road

It is doubtless a fair assumption, therefore, that the great bulk of the country's important and traveled roads are to be found in this system. It is also fair to assume that although Federal aid will be available eventually for the construction of permanent highways on this system, states, counties and townships have worked on these roads—passing up the eventual saving—rather than on roads outside the system. Eliminating all other roads for the moment, it is therefore evident that the country now has some 140 cars to the mile of improved Federal aid roads—and two hundred to the mile is regarded by experts as very near the limit for two-way traffic.

The average, of course, has not yet reached that figure for the reason that the mileage of all good roads is greater than that shown in the figures of the Federal system. A vast amount of solid construction was built before the Federal aid plan was put through,

(*Please turn to page* 936)

Federal Highway Payments only 47½% of Receipts from Federal Motor Vehicle Excise Taxes

Federal Aid Payments 1917-1925 Fiscal Years up to Jan. 1, 1925.	$380,528,813
Federal Motor Excise Taxes 1917-1925 Fiscal Years up to Jan. 1, 1925.	$799,385,399

Federal Aid payment figures from U. S. Bureau of Public Roads. Federal motor excise tax figures from U. S. Bureau of Internal Revenue.

Highways—1924

MILEAGE

Miles of highways in United States, Jan., 1925	2,866,061
Miles of surfaced highways, federal, state and local, Jan. 1, 1925, approx.	470,000
Miles of highways surfaced in 1924, approximately	40,000

FEDERAL AID

Miles in Federal Aid Approved System, Jan. 1, 1925	174,350
Projects completed since passage Federal Aid Act, miles, 1916, to Dec. 31, 1924 miles	37,117
Projects under construction, Dec. 31, 1924, miles	17,837
Projects approved for construction	2,108

Figures by Nat'l Automobile Chamber of Commerce.

Protecting Your Estate Against Unnecessary Inheritance Taxes

The Interconnection Between Real Estate and Inheritance Taxes

By C. F. HAYES, JR.

THIS is the third of a series of articles on Inheritance Taxes. Owing to the great interest aroused by this subject, we take pleasure in announcing that further articles covering other phases of Inheritance Tax problems will be published in forthcoming issues. The first article, by Senator Robert Owen appeared in the July 4 issue and the second, by Mr. Hayes in the Aug. 1, 1925.

Is Real Estate affected by Inheritance Taxes? It certainly is, although this fact, and especially the *real significance* of this fact, are not appreciated by a surprisingly large number of investors. The writer has always been at a loss to understand just why investors will trot a list of their securities over to their investment banker for an inheritance tax analysis, and return with certain figures which may prove decidedly erroneous in view of his failure to take his Real Estate holdings into consideration as well.

"But," says a reader, "my Real Estate can only be taxed (apart from the Federal Government) by the State in which the property lies!" That is true, and yet—Real Estate often proves the cause of an unexpected, additional inheritance tax having to be paid on certain Bonds.

The coupon (unregistered) Bond, ordinarily leaves no record behind it when it passes to you. An opposite extreme, of course, is Real Estate. Between these two lie various kinds of possibilities not only as to types of investments, but as to detection by Non-Resident States for inheritance tax purposes.

Let us look at the case of Mrs. Mead of New York.

Mrs. Mead was an elderly widow in moderately comfortable circumstances. A considerable part of her income was derived from coupon Bonds (locked up in her New York bank) of the companies shown in the accompanying illustration. She also had been left by her husband a very pretty, inexpensive, little summer place near Bar Harbor in Maine. For years, she had never gone there, and had always rented the place to others every summer.

Now Maine, it so happens, is one of the many States that still feels it justifiable to reach out (when it can) and tax the inheritance of coupon Bonds of its corporations even though those coupon Bonds are held hundreds of miles out of the State by a Non-Resident.

Some time ago, before her death, Mrs. Mead had an inheritance tax analysis made of her Stocks and Bonds in order to better prepare for the settlement and distribution of her Estate according to her will. They naturally advised her that these particular Bonds shown in the illustration (and which she had left to her sister) probably would escape detection by the state of Maine. She had never, of course, thought to speak to her investment counsellor about her little summer home. Her lawyer had his instructions in regard to that.

What Happened to An Estate Which Through Oversight Had to Pay a Large Inheritance Tax

State of Maine

	Holdings			
Eq.	6s	of 1935	$15,000	Maine Central R. R.
	4½s	of 1935	10,000	Maine Central R. R.
	5s	of 1934	10,000	U. S. Envelope Co.
Eq.	7s	of 1934	5,000	Atlantic Gulf & West Indies
	6s	of 1926	10,000	U. S. Smelting
Eq.	5½s	of 1933	10,000	Bangor & Aroostook R. R.
	5s	of 1943	10,000	Bangor & Aroostook R. R.
	5s	of 1946	10,000	Cudahay Packing Co.
	8s	of 1926	5,000	Galveston-Houston Elec. Co.
	5s	of 1944	5,000	Utah Power & Light
	5s	of 1925	5,000	Sierra Pacific Electric Co.
	6s	of 2016	6,000	American Power & Light Co.

$101,000 MARKET VALUE OF LEGACY
500 Maine Non-Resident Inher. Tax Exemp. to Sister

$100,500 Taxed by Maine @ 5% = $5,025.

As a result, when she died there were legal formalities necessary in Maine before the little piece of Real Estate could be sold. This generally serves to bring to the attention of the Non-Resident State tax authorities the existence of taxable, coupon Bonds just about as well as though the Executor appear in person before them with the Bonds themselves. Mrs. Mead could easily have disposed of this piece of property at any time. She had no particular use for it, but she just did not need the money—that was all! It was a hanging thread in her affairs, but she failed to see the wisdom in catching it up. This oversight, as shown in the table, was very expensive to the lady.

Let us take another actual case.

Some years ago, two brothers each headed his

own business—one in New York and the other in Boston. The New Yorker was very prosperous, while the Bostonian had a business that was rapidly expanding. In the course of this expansion, Bostonian asked his brother if he would mind adding his name to a piece of short-term paper as additional surety. New Yorker good-naturedly agreed. Each brother trusted the other explicitly, but as further evidence of good faith and protection, Bostonian insisted that a piece of his Real Estate be put in the name of his brother. In the course of time and their active business lives, it so happened that this particular matter was completely forgotten by them both.

About two years ago, New Yorker suddenly passed away. His Estate was duly administered, and closed in New York.

The other day, Bostonian awoke! Understudies had always attended to the management of his Real Estate without question, but now he received a lucrative offer for this particular piece of property. Forthwith he entered into an agreement to sell it. Bang! The title-examiner quickly announced that the records showed New Yorker as the owner. Yet, not only was that brother dead, but his Estate had been closed up!

Bostonian was naturally rather "peeved," and there seemed nobody but himself to be "peeved" either with or about. Ancillary Administration would have to be taken out in Massachusetts upon his brother's Estate in order to re-vest the title to his own property in himself. That meant filing copies of all the New York proceedings to begin with. Then both the Court and the Massachusetts Inheritance Tax authorities would have to be satisfied. In the meantime, the time limit on the purchase offer was ebbing. It might not prove at all easy to satisfactorily explain to the Court and Tax officials at once that this was really a bona fide case. His story would savor of the unusual, and to any Tax official, at least, that always sounds fishy. You can hardly blame them.

Types of Facts Demanded by Officials of States of Non-Resident Heirs But Who Are Subject to Inheritance Taxes in That State

1. *A Copy of the will.*
2. *The names and addresses of all of those who shared in the Estate.*
3. *The amounts of their respective shares.*
4. *The relationship of each beneficiary to the deceased.*
5. *A list of all property, everywhere, including that owned jointly by the deceased as well as individually, and that to which he was entitled, as well as that he was already in possession of.*
6. *A list of all of the Estate expenses.*
7. *A list of all of his debts.*
8. *A list of any property which he had transferred by deed, grant or gift (except bona fide sales for full consideration in money or money's worth) made in contemplation of his death, or which he intended to take effect in possession or enjoyment in any way after his death.*
9. *A list of any property over which he had a power of appointment.*

It is needless to add that the executor and heirs of New Yorker might have become pretty wrathful, too. This sort of a resurrection of the financial dead in many cases can prove decidedly embarassing. Entirely apart from the extra expense and trouble involved, it now exposed everything to the preying eyes and rigorous demands of the Tax officials of a Non-Resident State. This is given in the accompanying box.

You can see from this illustration when the Non-Resident State once begins to ask questions, it isn't at all bashful!

It is obvious that Massachusetts probably would never have had a peek at the holdings of New Yorker if he had but paused for a few moments during life to gather up a loose thread in his Estate affairs. This piece of Real Estate left standing in his name was something for which he had never paid anything—nor would his Estate ever receive anything. He had never thought of it as belonging to him, and it never did. But by the omission upon the part of both brothers to make a more thorough, periodical examination of not only their Stocks and Bonds, but their *entire* affairs, an entirely unnecessary hardship devolved upon one, and upon the heirs and representatives of the other. Surprising as it may seem at first, more than one stray end will be found if the average investor will but sit down for an hour or two some day and take stock among the assortment of wealth he has accumulated.

That is, of course, providing he cares at all for the ultimate welfare of his beneficiaries. If he is content to merely apply the doctrine of financial independence to his own life, then this information relative to the financial independence of his *Estate* cannot be of much interest to him.

NOTE: Our Inheritance Department will gladly attempt to aid subscribers in their problems relating to this field. Only subscribers are accorded this privilege.

Rare Dividend Opportunities Among the Unlisteds

Seasoned Veterans in the Dividend Field—How the Unlisted Securities Shape Up

A GREAT many companies of which investors do not generally hear have richly rewarded their stockholders. Many of these have no regular markets but are closely held. This article discusses the advantages and disadvantages inherent in this type of security and gives a large list of companies which have paid dividends twenty-five years or more without interruption on their common shares.

THE Listed Security towers over the entire investment field. For a stock to be admitted to the lists of the New York Stock Exchange is considered an asset. Income accounts and balance sheets must face publicity at stated intervals. The scrutiny of the world's largest market is focussed on the list, and if any security survives that scrutiny and is quoted at a premium it is considered one of the country's top-notchers. Above all, the listed security enjoys the greatest marketability of any.

But while none can equal the listed securities in marketability, it remains true that hundreds of good securities are distributed over the United States of which few have heard. It does not follow that they have necessarily a restricted market, for in the local field in which they are known these stocks are often eagerly sought. The best New England mill stocks have long enjoyed a ready market, as have their Southern compeers. Hence, this section of the securities market, often unjustly neglected, should be regularly scanned for investment opportunities.

In the accompanying table a list of ninety companies is given of which about a dozen are listed on the New York Stock Exchange. Of these companies, it is safe to say that a clear majority are unknown to the general public. It is also safe to aver that for the eighty unlisted issues that have been selected, it would be easy to select three hundred more, reasonably marketable without too great a sacrifice, equally entitled to a place in the list.

There have been excluded, besides, all the illustrious obscure in rails and public utilities, and all that concourse of unknown underlying securities that fill rich men's coffers. All foreign securities, excluding Canadian, however meritorious, have been eliminated from the list. All companies that have tremendously fine dividend records, but which have slipped even once in a quarter of a century have been passed over. And last, but not least, all concerns that have been born within the last quarter of a century have been eliminated. All new technical developments like radio and rayon are out. All new tastes like that for cheap candies and soft drinks; all new business developments like the rage for cash registers and adding machines, have not been reckoned up. All businesses that have vanished into the beyond, like the breweries, have not been brought within the study.

Yet after all these deductions are made, there are about three hundred companies of some industrial and financial promise, unlisted, that have not missed a dividend on their common stock in a quarter of a century!

A latent danger rests in all dividend tables. Dividends are a record of past performance and, as such, are a guide to the past rather than to the future. Many an investor who has held an investment because of its history has awakened to find the sources of its earning power run dry. In the accompanying table, every effort has been made to exclude companies which are not today in at least as good a future earning position as they have been for the average of the last twenty-five years. For this reason, all mining companies that are rapidly depleting their ore reserves, and all oil companies have been excluded.

The Economics of High Dividends

"I am not interested in 10%. I am interested in something that will grow." Everyone recalls this daring phrase of the late E. H. Harriman. What he said so pithily is the kernel of the analysis of desirable unlisteds.

It is not at all against any company that it pays fantastically large dividends. While usually this is a sign either of using dividends as a come-on to sell more stock, or of a wanton waste of the resources of the company, it is sometimes simply a sign of good business.

When a man opens a store, invests $5,000, incorporates the enterprise, draws a salary of $3,000 and has a net of $4,000 above all capital and reserve needs, he has made 80% on the money and that is available for a dividend to him. This is very frequently met with in successful one-man businesses. The reason that it is less met with among giant corporations is simply that money can be raised for the furthering of enterprise for a much lower return. Therefore, there is a just suspicion of the standing of a concern that pays much more. But it remains true that where business is conducted, not as nearly all grand business is, with a view to capital saturation, but as business *per se*, it certainly earns far more than anything that even looks like a bank rate of interest. Hence the following examples.

A Few Dramatic Instances

Let us take up the *Farr Alpaca Company*, manufacturing mohairs, etc. Assuming that a stockholder had a $100 share in 1908, that he had held for some time, what would he have gotten out of it? He would have received 40% in 1909, and a stock dividend of 100% in December, 1909. He would have received 24% on this doubled capital stock in 1910, 11, 12, 13. He would then have obtained a 200% stock dividend on his already doubled capital holdings. On this increased capital he would have received 8% annually to 1921. In addition, he would have obtained a 75% stock dividend in 1921 and 8% thereafter to date. In addition, he would have been showered with extra dividends galore.

Now let us suppose that he sells his stock (he has also had some rights to subscribe, which we omit), let us see what he has got. He will have averaged $58.75 per annum to the end of 1924, and he will have sold the $100 in stock he now enjoys for $1,250, the current market. His capital profit is $1,150 on $100 or 1150%. If his yield to "maturity" is computed in the way bond yields are computed, he has averaged more than 100% a year.

The Pennsylvania Salt Company merits some attention. This company has paid 12% per annum from 1863 to 1914, and has varied between 8 and 10% since. It is doubtful whether any other company has equalled this as a continuous high dividend performance.

The New Jersey Zinc Company has also enriched every old stockholder. They received an endless succession of large cash dividends and of extra dividends; a lavish stock dividend has been paid twice. A holder of stock in 1901 who sold out in 1925 would have averaged roughly 36% a year in cash dividends, and could sell the $420 in capital he has as a result of stock dividends for about $840. On the bond comparison basis, he has realized about 70% on his investment per year.

Ponder well the case of the *Nicholson File Company of Providence.* Though unknown to fame a grateful body of stockholders sings its praises. It has paid dividends since the misty past (it was born in 1864). Let us take our hypothetical stockholder in 1901. He has held the shares for some time. To 1924, he received all in all about 760% or 31% per annum. He received a stock dividend of 100% in 1920. The least his investment has yielded him is 36%.

That one should not look a gift horse in the mouth is proverbial wisdom, hence it would seem ungracious to do so especially to the *S. S. White Dental Co.* But the teeth are sound. To each holder of $100 stock in 1901 about $550 has flown back up to 1924, or about 24% per annum. In addition they have had the consolation of a 400% stock dividend, which brings the yield to maturity up to about 40% per annum.

Not All Rosy

No one pretends that this is an average situation. Nevertheless a hundred good dividend payers selected at random among the unlisteds show an average yield above 9% for 25 years. In most cases, such a yield is not to be obtained today because the successive stock dividends have further and further diluted the capital, and reduced the dividend yield accordingly.

An investor in one of these many obscure companies is in a sense more than an investor. He is much more of a partner than is the case with listed companies. That is he must pay considerably more attention to the selection of an investment and he must follow its fortunes with much closer attention than is needed in the case of the listed security. Above all he must have a specific industrial knowledge. That is to say that in the case of a listed security, once its financial soundness and future earning power are well established only an approximate knowledge of its industrial field is required. But in the case of an obscure unlisted company, it is usually only local investors who know the business and personnel of the company intimately and who know when a company is headed for prosperity or for the rocks.

The returns are therefor not in the same class as those on listed securities and hence not strictly comparable. Each type has its own advantages. It depends on the individual investor's needs and general background.

Industrial Companies That Have Paid a Dividend Continuously Since 1902 on Their Common Stocks

	Date of Incorporation	Remarks
Alliance Realty	1899	New York Real Estate: New York Stock Exchange.
American Express	1850	Dividends continuous since 1882: New York Stock Exchange.
American Hardware Corp.	1902	Makes "Russwin" Locks: Hartford Stock Exchange.
American Screw Company	1860	50% Stock Dividend 1922: Providence Stock Exchange.
American Stove	1901	Gas and Oil Stoves: 40% Stock Dividends.
American Type Founders Co.	1892	Leaders in industry: New York Stock Exchange.
Appleton Co.	1828	Textiles: A healthy centenarian.
Armstrong Cork Co.	1891	Stock Dividend 50%, 1924: Market, Pittsburgh.
Babcock & Wilcox	1881	Boilers, etc.: Stock Dividend 33%: New York Curb Market.
Baker, Walter, & Company	1898	Famous Cocoa concern, established 1780: Stock Dividend 200%.
Beech-Nut Packing	1899	Stock Dividends 950%: New York Stock Exchange.
Borden Co.	1899	Retail Milk Distributers, etc.: New York Curb Market.
Boston Wharf Company	1836	Stock Dividend 400%, 1910: Market, Boston.
Bourbon Stock Yard	1875	Stock Dividend 300% 1922: Large dividend payments.
Bridgeport Brass	1865	Stock Dividend 66%, 1916: Unusual ratio working capital.
Buckeye Steel Castings Co.	1894	Name changed in 1903.
Butler Brothers	1887	Great Merchandise Wholesalers: Quoted Chicago Curb.
Canada Landed & Nat. Investment	1891	Earnings steadily improving: Toronto Stock Exchange.
Canada Permanent Mortgage Co.	1899	Earnings steadily improving: Toronto Stock Exchange.
Canadian Salt	1901	Stock Dividend 50%, 1921: Toronto Stock Exchange.
Canton Company	1828	Baltimore Realty: Baltimore Stock Exchange.
Chicago Dock and Canal Co.	1857	Chicago Docks: Market, Chicago.
Chicago Ry. Equipment Co.	1892	Stock Dividends 70%: St. Louis Stock Exchange.
City Ice and Fuel Company	1894	Stock Dividend 35%, 1922: Many rights: Cleveland Stock Exchange.
City & Suburban Homes	1896	Conservative realty company, New York.
Clayton & Lambert Mfg.	1891	1916-1917 cash dividends substituted by lucrative stock dividend.
Collateral Loan Company	1859	City of Boston, and State of Massachusetts on Board.
Col. River Packers Assn.	1899	Reincorporated 1924: Market, Portland, Ore.
Consolidation Coal	1860	Dividends since 1883: New York Stock Exchange.
Corticelli Silk Co.	1879	Formerly Brainerd & Armstrong: Stock Dividend 100%.
Dartmouth Mfg. Co.	1895	Resisted New England textile depression: Stock Dividend 100%: Active market.
Denholm & Mackay	1891	Founded 1870: Department Store in Worcester, Mass.
Detroit & Cleveland Navigation	1868	Stock Dividends 75%: Detroit Stock Exchange.
Diamond Match	1889	Largest in industry: New York Stock Exchange.
Dixon, Jos., Crucible	1868	Graphite and Pencil manufacturers: Stock Dividends 150%: Active, unlisted.
Eastman Kodak	1901	Largest in industry: Monopoly "movie films": New York Stock Exchange.
Ewa Plantation Company	1890	Hawaii Sugar Planters: Market, San Francisco.
Farquhar, A. B., Ltd.	1889	Agricultural Machinery: Market, York, Pa.
Farr Alpaca	1873	Resisted New England textile depression: Stock Dividends 375%: Active market.
Felin, J. J., & Co.	1902	Pork Packing: Stock Dividends 175%: Market, Philadelphia.
Firth Sterling Steel	1889	Tool Steel Mfrs.: 100% Stock Dividend 1921.
Frick Company	1885	Manufactures heavy machinery; Stock Dividends 58%.
Gamewell Fire Alarm	1877	Makes 90% of all fire and police alarms in the U. S. A.
General Electric	1892	Largest in world: New York Stock Exchange.
Georgia R.R. and Banking	1833	Has paid 240 Dividends since organization: Total over 750%.
Graton & Knight	1872	Business founded 1851: Largest manufacturers leather belting in world: Stock Dividends 263%.
Grinnell Mfg. Co.	1882	Resisted New England textile depression: Active market.
Hazel-Atlas Glass	1901	Glass Specialties: 20% Stock Dividend.
Int. Button Hole Sewing Machine	1882	Leads industry: Boston Stock Exchange.
International Elevating	1894	Floating Grain Elevators in New York Harbor.
Mergenthaler Linotype	1894	Monopoly of industry: New York Stock Exchange.
Merrimac Chemical	1863	Stock Dividends 70%: Other dividend payments generous.
Moss, T. J., Tie Co.	1893	Business begun 1879: Remarkable dividend payments.
National Biscuit	1898	Dividend Rates varied considerably: New York Stock Exchange.
National Licorice	1902	Heavy Dividend Payer with many extras.
National Screw & Mfg.	1889	Dividends since organization of company.
Naumkeag Steam Cotton	1839	Consistent prosperity for nearly a century: Active market.
New Jersey Zinc	1880	Business begun 1848: New York Curb Market.
Nicholson File	1864	See Text: Providence Stock Exchange.
Northwestern Yeast	1893	Heavy Dividend Payer: 100% Stock Dividend 1922: Market, Chicago.
Ohio Iron & Steel	1880	Holding company: Large ore, coke, limestone properties.
Parke, Davis & Co.	1875	Pharmaceuticals: Detroit Stock Exchange.
Pennsylvania Salt	1850	First heavy chemical company in America: Philadelphia Stock Exchange.
Philadelphia Warehouse	1871	Dividends continuous since 1872.
Phillips Wire	1892	100% Stock Dividend 1922: Market, Providence.
Pick, Albert, & Co.	1896	Restaurant Supplies, etc.: Chicago Stock Exchange.
Pittsburgh Dry Goods	1896	Wholesalers: Ample dividend payers: Market, Pittsburgh.
Plymouth Cordage	1824	Dividends since 1832, excluding 1839, 1843, 1858.
Pullman Co.	1867	Founded 1867: Dividends since 1877: New York Stock Exchange.
Real Estate Associates	1895	A Massachusetts Trust: Old established realty concern.
Rowe Brass & Copper	1866	Brilliant dividend record.
Royal Baking Powder	1899	Leads in industry: A leader in over-the-counter trading.
Safety Car Heating & Lighting	1887	Steady earnings: Market, Hartford.
Sagamore Mfg.	1879	Flourished in New England textile depression: Active market.
St. Joseph Lead	1864	Leading factor in industry: New York Stock Exchange.
St. Joseph Stock Yards	1896	Affiliated with Swift & Company: 22 miles terminal track.
Standard Underground Cable	1889	Old dividend payer: Average 15%.
Sterling Products	1901	Household remedies: New York Stock Exchange.
Swift & Co.	1885	Packers: Dividends continuous since 1888: Chicago and Boston Stock Exchanges.
Taunton-New Bedford Copper	1831	Stock Dividend 50%, 1917: Ample dividends: Nearly a centenarian.
Torrington Co.	1898	Stock Dividend 100%, 1922: Boston Stock Exchange.
Troy Sunshade	1900	Stock Dividend 60%, 1917: Exceptional dividend record.
United Engineering & Foundry	1901	Rolling mill machinery, etc.: Steady earnings.
United Fruit	1899	A "Vertical Trust": New York Stock Exchange.
U. S. Lumber	1901	Stock Dividend 100%, 1923: 300,000 acres timber land.
Weaver Piano	1882	Business founded 1870: Market, York, Pa.
West Point Mfg. Co.	1880	Stock Dividend 50%, 1920: Southern cotton mills.
White, S. S., Dental Co.	1881	Established 1844: World-famous: Market, Philadelphia.
Whitin Machine Co.	1870	Textile machinery manufacturers.
Yale & Towne	1892	Founded 1868: "Yale" locks: New York Stock Exchange.

NOTE.—Where exchange is not given, principal market is over-the-counter.

This list could be supplemented by hundreds of companies, some obscure, some famous, many equally or more meritorious.

A "Movie" of Germany

Present Conditions—What the Germans Think of Their Future—Is Germany on a Sound Basis?

This letter was sent to one of the members of our Staff by an American friend, now in Germany. Its vivid and wholly human description of conditions in that country makes particularly good reading, all the more so because in some essential respects it conflicts rather amazingly with some of the stuff about Germany one sees nowadays in the papers. The letter should be of especial interest to those who may have commitments in German securities or who have business in Germany.

BERLIN, GERMANY.

Dear Friend:

YOU inquire about conditions in Germany and about business here. A few observations follow, necessarily concentrated, but you can, at least, form an idea of the situation from them.

We need not revive the fact that this nation spent every hour of every day for four and one-half years in an effort to win the war. To do it every person sacrificed to the limit. It was all lost. All the productive effort of that period together with much of the savings of the years before is gone!

The colonies are gone, and much of the foreign property. More than this the morals of the people have been considerably lowered, and all have suffered to some extent from malnutrition and poor food.

A peace treaty with a ridiculously impossible indemnity was forced. It has its greatest weakness in the fact that no definite terms were made, and incidentally, these terms are not yet definite. If a man is sentenced to from 60 to 100 years' imprisonment, he is not likely to be very interested or enthusiastic about anything. So 1919 and 1920 were wasted, waiting for sentence.

Then came the years of the inflation. These were terrible years for most of the people, because they lost what little they had held on to during the war. Only the shrewd gambler, and the daring speculator made money. The morale of the people lowered more, and malnutrition went further. This refers to the mass of the people.

Taking the nation as a whole, there was probably no net loss, and possibly a gain through the inflation. The loss to the nation consisted of the wealth which was exported by the classes who were able to sell abroad. The gain consisted of speculative purchases of paper marks by foreign gamblers, and a consequent flow of foreign capital here.

National Debt Wiped Out

The inflation resulted in two years of active work, and the discharge of at least 90% of all national, state, municipal, and industrial debts in two years time. As usual, the common people paid off the great debts through their individual losses. It would have the same effect if the people of the United States would pay off their 25-Billion Dollar national debt, and all the other billions of dollars of state, municipal and industrial debts in two years by a capital assessment.

The inflation was simply a sudden shifting of wealth. Millions of people lost their all, and a relatively few became very wealthy. Their wealth consists of highly equipped manufacturing plants, and great industrial works. This capital is principally "fixed." A few intelligent capitalists were able to get credits at German banks. They invested it in fixed assets, borrowed more, and again invested, finally making payment in worthless paper marks. At the lowest point this rate was one trillion paper marks to one gold mark.

The payment of reparations and liquid capital exportation during the inflation has caused a shortage of ready money. During the past year much American capital has been loaned here, and this has caused an ease in the money strain. But, because the inflation is foremost in their memory, the people buy goods as soon as possible, and avoid holding money. These paragraphs picture the background and bring us up to today.

When one looks into the shop windows here he is surprised by the elegant goods shown. And the prices make Fifth Avenue ashamed. Ninety-nine per cent of the people cannot buy. One per cent is buying even at these high prices. The retail stores are not making any money. There are too many of them. It seems as if everyone went into business during the inflation period. It was easy to sell then.

Now they are struggling along, trying to pull through in spite of the fact that they have no customers. The manufacturers and jobbers used to add a safety factor of 50 to 200% during the inflation years in order to play safe, as money depreciated over night before they could buy their raw materials for the next day. Everybody got into the habit of buying goods just as soon as possible. This habit of high percentage profits still hangs over, and no one is satisfied with a reasonable profit and a good big turnover.

The manufacturers had to put on a big force of clerks to keep up with the inflated money during these years, and most of these unproductive employees are kept on now, so that each manufacturer has a big unproductive overhead. This makes it hard to reduce costs. The only solution that I can see is a general buyers' strike. And in some lines this seems to be starting now. If it comes soon and goes through each industry thoroughly enough, prices will be forced down so that they are again on a reasonable basis.

Milk, meat and bread cost about 10% less in Berlin than in New York City, but a skilled workman gets a wage of 18-22 cents per hour, and a common laborer from 14 cents to 18 cents. How they can exist is a puzzle to me, and it seems a certainty that prices will have to be shaved soon if factories are to continue operating.

To sum up: Business in general is *poor*, getting *worse*, and will probably go further. The best sellers are expensive luxuries, as, for example, American automobiles, which are being bought by the newly rich.

The Germans have been much overrated as far as their wonderful efficiency is concerned. They have a lot to learn from America, and they all know it. They all look to, and talk about America. They are making good progress in studying and adapting American manufacturing methods. As far as I can see, their scientific research is exact, thorough and painstaking, and many good discoveries have been made, and are being made. But the only thing a man would come here to study is music, and in spite of ten years of disturbance, they undoubtedly lead the world in this line. In Berlin every little cafe has its orchestra, and it is a good one too.

I do not want to give the impression they are not so bright as we think we are, for I do not think I can claim that. But, America, because of its size, and because of its *habit* of freedom in thought and action has an enormous advantage. In America every man is born a prince, and may become a king. While here, millions are born into the lower classes, and will die there.

It is not a matter of law. It is a habit of thought, a relic of monarchistic and military systems, and the people cannot throw it off in less than a

generation, and not entirely then. Thank Heaven! we of the United States have never known it. This lack of a natural, common, every-day feeling of equality prevents millions of people from ever trying to develop.

Then, too, the great size of America leads us to think of things in a much bigger way. It is true that we *waste* a great deal, and we should not be excused for that, but we gain a great deal in spite of our wastefulness by being able to look at things in a big way. We have always had a big market in selling to ourselves. The Germans appreciate this and are spending much time in studying and adapting our manufacturing methods. They are making good progress, but are in no sense of the word up to America.

I spent ten days in Leipzig a few months ago at the big spring fair. They had about 100 exhibition halls where they exhibited everything from pins to locomotives. The fair is held each spring and each fall. It is a great exposition and has been running for many hundreds of years. Leipzig is located at the cross-roads of the trails from the east and west with those of the north and south. I imagine the traveling merchants of the Middle Ages must have had a great time there when the caravans met, and they swapped spices, horses and lies. Last spring it was crowded to overflowing, buyers being there from all parts of the world. Business was very poor as prices were too high. It was a splendid opportunity for me to learn about European products, and I surely had "flat tires" every night. I ran onto a number of very interesting new developments in mechanical lines. One is a machine for spraying molten metal on any kind of article, even a calling card, or piece of cloth. I saw also a boiler which gets up to 150 pounds of steam in four minutes. A good assortment of compressorless Diesel engines was shown, and I was much interested in cast Tungsten carbide with a hardness of 9.8 as a substitute for diamonds in drilling.

I must wander back a little and tell you more about the present psychology of the people as it strikes me. One of the most noticeable things in their newspapers and in the conversations of the people is the great amount of time and space which they devote to foreign subjects. Our newspaper headlines generally concern something within the United States. Maybe it will be "Radical Group slams the railways," or "J. D. Rockefeller gives another million to the Baptist Aid Society," but it is safe to say that 90% of our news is about the people in our own country.

But it's different in Germany. Their first three pages are all foreign news, "What Briand has done in France," or "What Baldwin is doing in London." Ninety per cent or more of the entire news is foreign. They rarely spend much time on local German affairs, and personally I think it is a peculiar European mistake, by no means confined to Germany. If they would spend more time in trying to improve themselves, and their own countries, and less time in worrying about their neighbors, I think they would get further, and go faster. Nations are like individuals, and one certainly has troubles enough of his own without watching every move of his neighbor, and trying to seek out a motive behind it.

They generally think of everyone else as an "enemy" or as a "competitor," rather than as a "customer," or a "friend." During the last election time here the papers were filled with what the rest of the world thought of Hindenburg and of the other candidates, and what this or that candidate would do to Germany's enemies. Comparatively little was written about the good the candidate might bring about for the 60,000,000 men, women and children who live within the Reich.

All the parties do this. Hindenburg was elected by a small majority for a number of reasons. It was a personal victory, and not one of party or platform. Marx, the Republican candidate, is a Catholic, and had the Jewish support, while Hindenburg is the National popular hero, a Protestant, and anti-Semitic. These elements counted for and against the respective candidates.

The name of von Hindenburg is a by-word in every family. He was a 23-year-old officer in the war of 1870 when Bismarck and von Moltke took the opportunity which Napoleon III gave them to ride through France. He has been in the army ever since. Everyone knows him, and looks upon him as the "Great Protector," or "Der Retter." This was the big drawing card that the Nationalist party figured on when they forced him to accept the nomination.

The Germans—the mass of the people—do not want a return of the Mon-

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In the insert, Pres. von Hindenburg of Germany

Recent scene on the Friedrichstrasse, leading business thoroughfare in Berlin. Prices are high in Berlin and mainly the wealthy are buying

© Ewing Galloway

Railroads

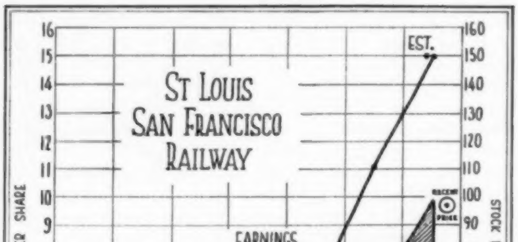
St. Louis-San Francisco Railway Co.

Is 'Frisco Common Worth Par?

Road's Phenomenal Increase in Earning Power—New Stock Financing?—Outlook for Various Securities

By J. A. POLLOCK, JR.

THE rapid advance in the quotation for shares of the St. Louis-San Francisco Railway Company, which has carried the common stock across par from below 20 in a little over a year, is characteristic of the road's variegated and at times sensational career. The present rise in values, however, finds its inspiration in the solid foundation of a decade of intensive development, consequently increased earning power, and willingness of the directors that stockholders share therein.



Prior to November of last year no distribution had ever been made upon the stocks of the present company. Just prior to that time, however, an initial quarterly dividend was authorized upon the $6,975,200—6% non-cumulative preferred and in December this action was followed by a declaration at the rate of $5 a share upon the $45,249,226 common. The latter has just been elevated to a $7 status.

The original St. Louis & San Francisco Railway Co. was organized in 1876 to acquire the properties of the Pacific Railroad of Missouri. These names are characteristic of early railroad ambitions. A wavering compass led this road's expanding mileage anywhere but to the Golden Gate. Indeed, today the company's name testifies to little but a one-time intention. In 1890, the Atchison acquired control of the stock, but in a few years both properties were being operated by receivers. Out of reorganization emerged the independent St. Louis & San Francisco Railroad Co. to embark upon a program of wild expansion. By the end of a decade new mileage aggregating twice the original had been brought into the system, this policy in the end producing the second and last receivership in 1913.

From 1903 until 1906 the Rock Island was in control of the majority stock, which it eventually sold at a heavy loss. It is probable that taken in conjunction this combination stands as the worst example of inflated values ever fostered upon the country. About the same time the 'Frisco was heavily subjected to the evils of the old time, and perhaps not yet entirely antiquated, construction company at its worst. This later became a matter of congressional investigation. At the time of reorganization the company's own mileage, not to mention subsidiaries, had attained to about four times its original proportions, while fixed charge obligations were outstanding in nearly seven times their earlier amount. The road's collapse was inevitable.

History, of course, has no bearing upon the company's present status, except as a matter of interest or in explanation of any peculiarities in its geographical arrangement and financial structure. The existing corporation, the St. Louis-San Francisco Railway Co., assumed operation November 1, 1916 of the property, which comprised substantially the present 5,257 miles. In the reorganization, two costly and at the time non-paying subsidiaries, the Chicago & Eastern Illinois and New Orleans, Texas & Mexico, were cast off while the Kansas City, Fort Scott and Memphis, now the best part of the system, was retained.

This has resulted in two principal lines, that of the original 'Frisco extending from St. Louis southwest into Oklahoma, Arkansas, and Texas and crossing it at right angles at Springfield, Mo.; the Kansas City, Memphis, Birmingham line, connecting with the Seaboard Airline and the Southern Railway. The lines in the Southwest which enter Tulsa, Oklahoma City, Dallas, Ft. Worth, etc., are in highly competitive territory; the line to Birmingham, however, is by all odds the short route from the Kansas City primary market to the Memphis & Birmingham sections of the South, where a heavy tonnage in mine and quarry products and iron manufactures is afforded.

'Frisco's claim to peculiarity in the geographical arrangement of its lines lies in its being entirely an inland system. It has no port connections either on the Gulf or Great Lakes, although at one time it had both in the Chicago & Eastern Illinois and New Orleans, Texas & Mexico. Viewed purely from this angle it is unfortunate that these entrants to the Gulf and to Chicago were lost in the reorganization, although in their then form it was not only desirable but imperative that a separation take place.

In 1922, the International-Great Northern was acquired, but this purchase was disallowed by the Interstate Commerce Commission, the road passing subsequently to the Missouri Pacific. Just recently, however, stockholders authorized the acquisition of the Muscle Shoals, Birmingham & Pensacola Railroad, which will furnish a direct outlet to deep water on the Gulf of Mexico.

In spite of the drawback inherent in its lack of a port, St. Louis-San Francisco has an uniformly better traffic distribution than any of its competitors in the Southwest, comparing favorably with the Atchison. The equation of tonnage is almost ideal, in which agricultural, animal and forest products make up 30% of the total; mineral products 40%; and manufacture, mis-

cellaneous, and merchandise 30%. Moreover, a pronouncedly upward trend in the relatively high revenue producing item of manufactures is to be noted as revealed in the following:

TRAFFIC DISTRIBUTION

	1917	1924
Products of—	%	%
Agriculture	12.94	14.35
Animals	3.07	2.51
Mines	42.52	39.79
Forests	15.04	12.32
Manuf. & Misc.	21.96	27.97
Mdse. L.C.L.	4.47	3.06

The reorganization of 1913 in which bonds of the Kansas City, Fort Scott & Memphis were undisturbed, reduced the total funded debt from 302 millions in round figures, to 264.4 millions or a reduction of 37.6 millions. The heart, however, of the rearrangement lay in the substitution for fixed-interest bearing bonds of those bearing interest contingent upon earnings. This was the genesis of the present 40 millions in Adjustment 6% bonds of 1955 and 35 millions Income 6s of 1960, with combined annual requirements of $4,542,532. The net result was to reduce fixed charges from 14.8 millions to 9.1 millions or by 5.7 millions and total charges fixed and contingent to about 13.7 millions or by $1,186,000.

Interest on the adjustment and income bonds has been earned and paid in each of the now nearly nine years, existence of the new company. In fact, its first year of operation, 1917, gave immediate evidence that capitalization had been brought well within earning power. Federal Control supplied the road with a rental, which looked almost confiscatory (in 1919 'Frisco created a profit for the government) but was sufficient to cover all charges. The earning picture in the subsequent depression of 1921-22 is conclusive of the conservative nature of the present debt.

The outstanding feature respecting the form of capitalization is the exceedingly small amount of preferred and common stock outstanding. Strangely enough this is about equivalent to that of the original St. Louis & San Francisco Railway fifty years ago, which embraced about one-fifth the mileage of the present system. There is now $7,557,500 preferred and $50,447,026 common.

This top-heavy structure naturally predisposes to very wide fluctuations in per share earnings upon the stock; so much so in the case of the preferred issue that the record loses all conherence. Thus in 1919, less than 1% was revealed for the issue while 1924 results were in excess of 80%. The unbalanced character of 'Frisco's financial structure has been the object of much adverse criticism, perhaps too much in that this comment tends to create the impression that a small stock issue is in itself economically unsound, which is manifestly putting the cart before the horse. *The question to be determined is primarily whether the road is capable of supporting its relatively large bonded debt, and the record of the last eight years, which under the most adverse conditions showed fixed interest earned one and a half times and contingent interest covered as well, leaves no doubt on this score.* This condition being satisfied, it is merely requisite that the volatile character of per share earnings be understood and not too great faith placed in the results of any one year or two. It must be admitted, however, that this irregularity militates greatly against the possibility of share financing on any and all occasions, a phase of the matter which has promulgated a theory that the company will shortly seek to effect the conversion, by call or other means, of the adjustment and income bonds into stock. This hypothesis appears somewhat premature. These two issues comprise the most flexible feature of the present structure and their transference into stock would bring about little real improvement, while at the same time thinning the equity of the latter. In the next six years some $41,000,000 of bonds (fortunately all bearing high coupon rates) fall due. If these could be chiefly taken care of out of the proceeds of additional stock issues and new money requirements financed in the same way, very much more would have been accomplished.

Receivership and reorganization rejuvenated the St. Louis San Francisco physically and established its budget equilibrium. Good management and the phenomenal development of its territory have created the present day success.

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Table I—Development of 'Frisco's Property

Balance Sheet	Dec. 31, 1916		Dec. 31, 1924	Increase
Road and Equipment	$315,881,092		$391,835,448	$75,954,356
Other investments	3,139,313		2,634,547	*504,766
Total Investment	$319,020,405		$394,469,995	$75,449,590
Funded debt	264,099,238		299,520,538	35,421,300
Capital stock	57,947,026		58,004,526	57,500
Total capitalization	$322,046,264		$357,525,064	$35,478,800
Working capital	2,722,024		8,091,480	5,369,456
Surplus	1,734,180		17,694,588	15,960,408
Income Account	**Year Ended Dec. 31, 1917**		**Year Ended Dec. 31, 1924**	**Increase**
Gross revenues	$59,676,657		$90,509,139	51.7%
Net operating income	16,295,279		21,072,890	29.3%
Other income, net debit	634,125		60,516	*90.5%
Fixed interest charges	8,377,690	} 16.90	10,439,740	24.6%
Contingent interest	4,435,676		4,542,432	2.4%
Net income	2,847,788		6,030,202	111.8%
Average mileage operated	5,207.03		5,257.73	1.0%

* Decrease

Table II—Record of Earnings

Year	Gross Revenues	Avail. for Interest	Net Income	Times Interest Earned: Fixed	Times Interest Earned: Fixed & Contingent	Per Share Common
1917	$59,676,657	$15,661,154	$2,847,788	1.87	1.22	$5.37
1918	72,475,314	13,220,533	335,103	1.56	1.03	....
1919	82,202,919	13,390,705	57,465	1.51	1.00	....
1920	98,723,040	15,407,371	1,324,196	1.60	1.09	2.00
1921	86,292,584	17,394,828	3,225,680	1.80	1.23	6.20
1922	83,008,023	15,184,212	753,013	1.54	1.05	0.74
1923	89,633,152	18,339,468	3,762,859	1.83	1.26	7.39
1924	90,509,138	21,012,374	6,030,202	2.01	1.40	12.40

Public Utilities

Opportunities for Profit Presented by N. Y. Railways Reorganization

Income 6s Especially Worthy of Consideration

AFTER a receivership which lasted over six years, the New York Railways Co. has been reorganized. The reorganization was extremely drastic, slashing the capitalization from over 91 to 40 millions. Fixed charges were likewise halved; and new money has been provided. The new reorganized company—New York Railways Corp.—has been established on a sound financial footing. It is in a position to carry on without danger of again being thrown into the Courts, and its prospects are brighter than they have been for many years.

The New York Railways Corp. is made up of a number of subsidiary companies operating what are known as the "green car" lines. These lines are all located in Manhattan and some of them date back nearly a century. The principal lines consist of the Broadway and Seventh Avenue; Sixth Avenue; Lexington and Lenox Avenues; Columbus and Ninth Avenues; as well as a number of short-haul cross-town lines including 8th Street; 14th Street; 23rd Street; 34th Street, and 116th Street. Practically all franchises are perpetual in term, having been granted years ago, and the law protects the company from outside bus competition.

A great deal has been heard recently about buses replacing the street car, but those persons making the greatest outcry over the bus, fail to consider the situation in sufficient detail. The surface cars of greater New York City carry upwards of a billion passengers annually. They are carrying more people today than ever before and in view of this fact alone, the street car can hardly be justly termed "obsolete."

We also hear a lot of talk in New York about the five cent fare. The companies, however, are not particularly concerned about a higher fare, because it is generally admitted, even by Mayor Hylan's own Board of Transportation, that new subway lines cannot be built, under present day costs, that will support themselves on a 5-cent basis. Present subways are already operating very near maximum capacity, but traffic on all lines (subway, elevated and surface) of the city is increasing at the rate of over 100,000,000 new passengers per annum, so that until new subways are built and placed in operation, the existing lines will be the only ones to benefit by the tremendous traffic growth which is in store.

There are other means than a higher fare, however, whereby the earnings of the local street car companies can be augmented. There is the steady increase in the amount of traffic going to the surface lines, brought about by the continued growth in population of the city and the great congestion in the subways. There are changes that can be made in operating methods, and new types of cars which are being put in use bring about substantial savings in both labor and power expenses.

N. Y. Railways

Income available for Fixed Charges
Fiscal Years to June 30th

1915	$4,332,718
1916	4,870,199
1917	3,240,887
1918	3,245,457
1919	1,248,071
1920—Deficit	349,214
1921	205,641
1922	903,697
1923	869,495
1924	829,622
1925	1,722,213

But the one thing that holds out the greatest prospect to the surface line companies today, is the possibility that they may soon be in a position to receive a little co-operation from the city Administration. For seven and one-half years Mayor Hylan has stubbornly refused to lift his hand to assist in any plan which might aid the street railway companies. It would seem that he has carried this policy of obstruction a little too far, for even the strongest element in his own party has turned against him. Even if Hylan is successful in being re-elected for a third term, however, indications are that he has seen the "handwriting on the wall" and will at least assume a reasonable attitude.

Probably the greatest burden that the railway companies of New York have to bear that is both unfair and unjust, is that of the "paving charges." When most of the street car franchises were granted years ago, they were for horse-drawn cars and provision was made that the railway company should be responsible for keeping the paving in repair "between the tracks and two feet each side of the tracks." Today, with a welded rail and heavily constructed road bed, the street railway companies neither use nor injure the pavements, yet they are

Securities of N. Y. Railways

APPROXIMATE MARKET VALUES AND YIELDS

Name of Security	Location of Market	Approximate Bid	Approximate Asked	Yield on Bid Price
Bleecker St. & Fulton Ferry 1st 4s 1950	Outside Mkt.	50	55	9.10%
Bway. & 7th Ave. 1st Cons. 5s 1943	N. Y. Stock Exch.	70	72	8.20%
Central Crosstown P.M. 6s 1940	Outside Mkt.	80	100	8.35%
Sixth Ave. R.R. P.M. 5s 1965	Outside Mkt.	75	80	6.85%
Thirty-fourth St. Ry. 1st 5s 1996	Outside Mkt.	60	70	8.35%
Twenty-third St. Ry. Imp. 5s 1962	N. Y. Stock Ex.	60	67	8.60%
N. Y. Railways Prior Lien 6s 1965	Outside Mkt.	70	80	8.70%
N. Y. Railways Income 6s 1965	N. Y. Stock Ex.	26	26½	.....
N. Y. Railways Preferred Stock	N. Y. Stock Ex.	9	10½	.....
N. Y. Railways Common Stock	None available—see text.			.....
N. Y. Railways Participation Rcts.	N. Y. Stock Ex.	265	275	.....

obliged to pay hundreds of thousands, if not millions, of dollars annually in repairs to streets, due to wear and tear of vehicle traffic. A number of companies throughout the United States have been relieved of this obligation of other days, and two States, Maine and Connecticut, have passed legislation removing this burden. In the interest of fair dealing, it is the obligation of New York to follow suit.

It will be remembered that the old B. R. T. was reorganized about two years ago into the B. M. T. Corporation. Since the reorganization, the company has made a remarkable "come back." The new 6% Sinking Fund Bonds which sold below 60 shortly after the reorganization, are now quoted about 90; the new preferred stock advanced from the low 30's to 80; and the new common from under 10 to a price above 50, where it is now selling in anticipation of early dividends.

The New York Railways Corp. is not in as strong a situation as the B. M. T. System, but it has good prospects, and its securities offer a number of opportunities for both investment and speculation.

Before the reorganization was worked out, Stone & Webster, Inc. were engaged by the Reorganization Committee to make a thorough investigation of the properties and report on the future prospects. It was found that the receiver had been setting aside 38% of the gross revenues in a reserve account for maintenance of the properties. This was considered to be far too conservative, as practically all other New York street railways set aside from 20 to 25% of gross for this purpose and the I. R. T. lines set aside but 17% for the subway and 14% for the elevated.

Stone & Webster, Inc. recommended that the new company, after reorganization, reduce this maintenance reserve from 38% to 25% of gross, which latter figure was considered to be more than adequate. Other recommendations were made covering changes in operating methods, the consolidation of certain facilities, the installation of new equipment, etc., and in sworn testimony before the Transit Commissions, Charles W. Kellogg, Engineer of Stone & Webster, Inc., stated that it was their belief that if all recommendations were carried out, the System would be able to make annual savings in operation of about $1,200,000. This was in addition to savings of over $1,000,000 contemplated through the reduction in the maintenance reserve.

The receiver was discharged on May first and the new company started out "on its own." Operations for the month of May, 1925, resulted in income available for fixed charges of $121,196 compared with $61,886 for May 1924; for June $146,861 against $68,920 for June a year ago; and while complete figures for July are not as yet available, they are reported as higher than in June. Figures for the fiscal year ended June 30, 1925, adjusted to give effect to the reduction in the maintenance reserve, indicate income for fixed charges of over $1,700,000, which is sufficient to cover new fixed charges in full and allow from 3½% to 4% on the new 6% Income bonds. Furthermore, these figures reflect only a partial amount of the savings which may be made.

Over the past few years, the gross revenues of the N. Y. Railways system have been showing a slight falling off, whereas most other street railway companies of New York City have reported increases. This falling off in gross may be attributed to several causes. In the first place, the company has ceased operation on certain lines downtown which were non-profitable, but it still retains these franchises which it may be able to use in the future in negotiating for bus permits. The taxi-cab and vehicle congestion on Manhattan thoroughfares have cut into the traffic somewhat and slowed down operation, but the steady growth in population of New York, heretofore referred to, is more than likely to bring about off-setting conditions. In any event, New York Railways is now earning its fixed charges about twice over, and the outlook is encouraging.

The accompanying table gives a list of the various securities making up the present capitalization of the New York Railways Corp. together with their present market quotations and approximate yields. It will be observed that the yields are extraordinarily high and now that the company has been reorganized on such a drastic basis and is able to cover its fixed charges about twice over, these underlying issues appear to be bargains.

The Broadway and Seventh Avenue First Consolidated (now First) 5s of 1943 are particularly attractive. The issue now constitutes an absolute first lien on the line on Broadway from South Ferry to 43rd Street and thence up Seventh Avenue to 57th Street and Central Park, also on Seventh Avenue to 8th Street and across 8th Street. The bonds have been outstanding since 1893 during which time their interest has always been paid without interruption.

In addition to the railroad properties, these bonds cover some very important parcels of real estate—the "Car Barn Block" at 50th Street and Seventh Avenue, which was recently sold for over $5,000,000, and the "Cable Building" at Broadway & Houston Street, assessed at over $1,500,000, the sale of which is being negotiated. It is expected that when the proceeds are received from the sale of these properties, after certain expenses and adjustments, there will be a sum of about four million dollars to be applied to the reduction of the mortgage by the issuance of a call for tenders of bonds. *This should stimulate their price considerably.* *The*

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New York Railways System

Comparison of present and former Capitalizations and fixed charges

	Outstanding	Annual Interest Requirement
NEW COMPANY—(N. Y. Railways Corp.)		
Bleecker St. & Fulton Ferry Ry. 1st 4s 1950	$ 700,000	$ 28,000
Bway & 7th Ave. 1st Cons. 5s 1943	11,000,000	550,000
Cen. Crosstown R.R. Purchase Money 6s 1940	200,000	12,000
Sixth Avenue R.R. Purchase Money 5s 1965	300,000	15,000
Thirty-fourth St. Ry. 1st 5s 1996	1,000,000	50,000
Twenty-third St. Ry. 1st 6s (owned by Co.)	250,000	15,000
Twenty-third St. Ry. Impr. 5s 1962	1,453,000	72,650
Twenty-third St. Ry. Deb. 5s (owned by Co.)	150,000	7,500
New York Rys. Corp. Prior Lien 6s 1965	3,800,000	228,000
TOTAL UNDERLYING DEBT	18,853,000	978,150
N. Y. Railways Corp. Income 6s 1965	19,435,472	1,166,128
TOTAL MORTGAGE DEBT	38,288,472	2,144,278
N. Y. Railways Corp. Pfd Stock 184,830 shares, stated value $5.	724,150	
N. Y. Railways Corp. Common Stock 90,200 shares, stated value $5.	451,000	
TOTAL CAPITALIZATION	$39,463,622	$2,144,278
OLD COMPANY—(New York Rys. Company)		
Underlying Mortgage Bonds	$39,425,198	$1,751,093
Guaranteed Stocks	3,836,700	346,966
TOTAL FIXED CHARGE SECURITIES	$43,261,898	$2,098,059
N. Y. Railways old Adjustment 5s	30,609,487	1,530,474
N. Y. Railways old Stock, par $100.	17,495,060	
TOTAL OLD CAPITALIZATION	$91,366,445	$3,628,533

BOND BUYERS' GUIDE

(Bonds listed in order of preference)

	Apx. Price	Apx. Yield	¶ Int. earned on entire funded debt
HIGH GRADE			
(For Income Only)			
Non-Callable Bonds:			
Great Northern Genl. 7s, 1936 (c)	109¾	5.75	2.85
Atlantic & Danville 1st 4s, 1948 (a)	78¾	5.70	....
Western Union Telegraph Co. 6½s, 1936 (a)	111	5.15	e 1.75
New York Edison Co. 6½s, 1941 (b)	114	5.20	3.30
Chicago & Northwestern 7s, 1930 (b)	107	5.30	1.80
Delaware & Hudson 7s, 1930 (b)	108¾	5.05	2.10
New York Dock Co. 4s, 1951 (a)	79	5.5	2.70
Callable Bonds:			
Armour & Co. Real Estate 4½s, 1939 (a)	89½	5.60	....
Laclede Gas Light Coll. & Rfd. 5½s, 1953 (c)	100	5.50	1.41
MIDDLE GRADE			
(For Income and Profit)			
Railroads:			
Cuba R. R. 1st 5s, 1952 (a)	87⅞	5.90	2.45
St. L. & S. F. Prior Lien 4s, 1950 (c)	77	5.75	1.25
Western Pacific 1st 5s, 1946 (c)	93½	5.50	2.40
New York, Ontario & Western Rfd. 4s, 1992 (a)	69	5.80	2.00
Missouri Pacific 1st & Rfd. 6s, 1949 (b)	101	5.95	1.20
Baltimore & Ohio Convertible 4½s, 1933 (b)	92½	5.75	1.35
Baltimore & Ohio Rfd. 5s, 1995 (b)	91	5.50	1.35
Missouri, Kansas & Texas Prior Lien 5s, 1962 (c)	95	5.30	1.10
Boston & New York Air Line 4s, 1955 (a)	70	6.20	....
Kansas City Southern Rfd. and Imp. 5s, 1950 (a)	90	5.75	1.90
Minneapolis, St. Paul & Sault Ste. Marie 6½s, 1931 (a)	102½	5.90	1.50
Rutland R. R. 1st 4½s, 1941 (a)	88	5.65	1.75
Industrials:			
South Porto Rico 1st Mtg. and Col. 7s, 1941 (b)	105	6.50	2.20
Sinclair Pipe Line 5s, 1942 (b)	85	6.40	g 2.50
Goodrich, B. F., Co., 1st 6½s, 1947 (b)	105	6.10	e 2.40
California Petroleum Corp. 6½s, 1933 (c)	103¾	5.90	4.80
International Paper Co. 5s, 1947 (a)	91¾	5.65	3.50
U. S. Rubber 5s, 1947 (c)	89	5.85	2.05
Bethlehem Steel Co. 5s, 1936 (a)	91½	6.00	f 2.30
Armour & Co. of Del. 1st 5½s, 1943 (c)	93	6.01	....
Anaconda Copper Mining Co. 1st 6s, 1953 (b)	101	5.90	g 1.25
Union Bag & Paper Co. 6s, 1942 (b)	96	6.35	f 4.40
Cuba Company 6s, 1935 (b)	92	7.00	e 7.00
Consolidation Coal Co. Rfd. 5s, 1950 (a)	83	6.30	2.00
Public Utilities:			
Manhattan Railway Cons. 4s, 1990 (a)	61½	6.60	g 0.90
Amer. Water Works & Elect. Corp. Col. 5s, 1934 (c)	95⅝	5.65	2.40
Ohio Public Service 7s, 1947 (c)	110	6.15	f 2.00
United Fuel Gas 6s, 1936 (b)	101	6.00	e 7.00
Hudson & Manhattan Refunding 5s, 1957 (c)	90½	5.70	2.60
American Gas & Electric 6s, 2014 (c)	98	6.15	2.00
American Power & Light Deb. 6s, 2016 (c)	96	6.25	3.00
Kansas Gas & Electric 6s, 1952 (b)	103	5.75	1.80
Commonwealth Power Corp. 6s, 1947 (c)	101½	5.90	4.50
Manitoba Power Company 7s, 1941 (c)	103½	6.60	....
Market St. Ry. 7s, 1940 (b)	99	7.20	2.30
SPECULATIVE			
(For Income and Profit)			
Railroads:			
Chesapeake & Ohio Conv. 5s, 1946 (b)	115	4.00	1.65
Erie Genl. Lien 4s, 1996 (b)	63	6.40	1.31
St. Louis & San Francisco Adj. Mtg. 6s, 1955 (c)	93½	6.50	1.25
Missouri, Kansas & Texas Adj. Mtg. 5s, 1967 (c)	89½	5.70	1.10
International Great Northern Adj. 6s, 1952 (c)	78	5.60	....
Chicago Great Western 1st 4s, 1959 (a)	64	6.70	0.85
Western Maryland 1st Mtg. 4s, 1952 (a)	66	6.75	1.20
Rock Island, Ark. & Louisiana 1st 4½s, 1934 (c)	88	6.30	....
Industrials:			
Pan Amer. Petroleum & Transport Conv. 6s, 1934 (c)	105½	5.10	25.00
Cuba Cane Sugar 7s, 1930 (c)	94	8.50	2.15
International Mercantile Marine 6s, 1941 (b)	84	7.75	2.50
American Agricultural Chemical Co. 7½s, 1941 (b)	103½	7.10	....
Warner Sugar Refining Co. 1st 7s, 1941 (c)	92	7.90	....
Public Utilities:			
Empire Gas & Fuel 7½s, Series "A," 1937 (c)	104¼	7.00	3.30
Brooklyn-Manhattan Transit 6s, 1968 (c)	89½	6.70	f 1.50
Chicago Railways 1st 5s, 1927 (a)	76½	16.00	1.08
Hudson & Manhattan Adj. Income 5s, 1957 (b)	76	6.85	2.00
Interboro Rapid Transit 5s, 1966 (a)	67½	7.60	0.90
Third Avenue Railway Rfd. 4s, 1960 (b)	56	7.60	i 1.35

¶ This represents the number of times interest on the companies' entire outstanding funded debt was earned, based on earnings during the last five years. Includes government payments during period of government operation of railroads.

(a) Lowest denom., $1,000. (b) Lowest denom., $500. (c) Lowest denom., $100. (d) Lowest denom., $50. e Average last three years. f Average last two years. g Average last four years. i Does not include interest on adjustment bonds.

BONDS

Market Evidently at Stalemate—Fewer Opportunities

THE chief factors of interest in the bond market since our last publication were the offerings of 70 millions Government of the Dominion of Canada one-year 4% notes at 99¾, and 25 millions of International Telephone & Telegraph Company 5½% debenture bonds at 99½. The reception accorded these offerings which were quickly sold attested to the strong demand which still exists for attractive issues. The investment public continues to place funds in investment channels, but among the high-grade issues prices have reached a level where demand is easily met at ruling quotations.

Chief activity has continued to center in the middle-grade issues. It is true that bonds like the Norfolk & Western convertible 6s and Chesapeake & Ohio convertible 5s enjoyed substantial advances, but this was due to the speculative situation inherent in the conversion privilege, these issues naturally following the movements of the respective stocks.

On the junior rail list, strength was displayed by the St. Louis-San Francisco adjustment and income 6s; Missouri, Kansas & Texas adjustment 5s; Erie convertible 4s; International & Great Northern adjustment 6s, and Seaboard Air Line adjustment 5s. The most spectacular movement was in Florida, Western & Northern 7s, which soared to around 157.

Generally Quiet Market

Public utility issues were firm, but no special advances were recorded in this division. The industrial section was likewise quiet. Coppers, sugars, rubbers and other industrial loans showed no weakness. Consolidation Coal Company refunding 5s were in demand at around 83. International Paper 5s were also a strong spot, advancing approximately two points. The oil issues were the exception, displaying a sagging tendency, the numerous price cuts having a deterrent effect on investment in oil securities for the time being.

A glance at the Guide will show that there were a number of advances in high-grade and middle-grade bonds carried therein, although the general average level of prices of this character of bonds was unchanged.

The Outlook

On the whole, the market did not indicate any change in the general trend for the time being. Generally, bond values are somewhat stabilized. On the other hand, the number of individual issues of promise which are behind the market has been growing fewer and fewer. For the time being, the market as a whole appears to have reached a stalemate and nothing special is looked for.

Industrials

Cotton or Wool Securities—Shoddy or Worth-While?

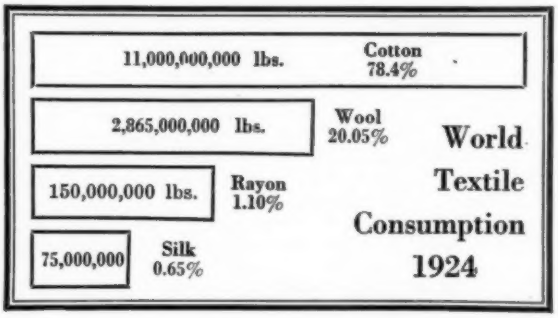
Industrial Aspects Look Brighter—Financial Heritage a Drag

DEPRESSION in the textile industries has been drawn out for three years. A great basic industry, it has seen a long period of decline, and many experts had come to the opinion that the New England industry, at least, would not recover.

The depression was much more in evidence in New England than in the South. Southern mills operate at a cheaper labor cost, approximately 30% below that in New England, and are much nearer the source of raw materials, at least for cotton. Little recognition, however, was given to the fact that this handicap on New England mills has existed for decades without, of itself, causing a depression. Students of the industry consequently look elsewhere for a satisfactory explanation of the long decline.

Depression in textiles, is, of course, a major business trouble. The textile industry is one of the great American fundamental manufactures, and the effects of bad textile business are felt throughout the country. Probably 200,000 investors are directly interested in the fate of the larger operators. The question as to their revival affects many others.

Many explanations have been given of the continued decline. The most commonly advanced reasoning attributes their fate to the deflation period following the war. The deflation period, however, had injured silk more than the other textiles, and silk has recovered handsomely. It is obvious that silk will have to be classed apart from cotton and wool. The same causes do not operate. A small supply, all imported, a much smaller variety of uses for a smaller class of buyers with a much higher purchasing power, places silk out of the great universal position of cotton and wool.



The increasing popularity of Rayon has been noted. Rayon has grown astoundingly and no one in Wall Street can as yet set limits to its growth. But it has special and not universal uses and, while in competition with cotton in several employments, is used extensively to assist sales of cotton goods in the shape of Rayon mixtures. It is believed in the trade that the future of Rayon is very largely in its remarkable style qualities in combination with cotton.

Cotton remains the one universal textile. It is met with in towels, sheets, clothing, tires and an almost unlimited number of personal and industrial uses. The world consumption of textiles (latest data) is instructive. This is given in the accompanying chart.

Purchasing power of the population is not much less than formerly. Unemployment has been at a low ebb. The worst days of agricultural adversity were over in 1924.

If anything, the speedy fluctuations in styles have tended to an increased per capita consumption of textiles over ten years ago. There has been hand-to-mouth buying by retailers from jobbers but the general commercial practice is increasingly in this direction in many trades. The textile decline consequently must have special causes.

The most effective has been that textile prices have been out of alignment with the price level in general. Taking 1914 prices as 100, clothing has advanced in price more than any other class of goods. The U. S. Index makes it 188 against 159 for the average of all commodities, textiles included. While the purchasing power of the consumer has not been reduced, it has been reduced for clothing by about 30%. Last year, the general cost of living

Position of Leading Listed Textile Companies

	Earnings Per Share 1924	Earnings Per Share 1923	Earnings Per Share 1922	Working Capital Per share	Yield Basis Underlying Bonds	Yield Basis Preferred Stock	Price Range 1923 H	Price Range 1923 L	Price Range 1924 H	Price Range 1924 L	Recent
Am. Woolen Pref.	.....	$13.32[C]	$15.64[D]	$126	6.89%[AB]	7.86%	111	96	102	90	89
" " Com.	.....	8.85[C]	8.64[D]	33	6.89%[AB]	.....	109	65	78	51	34
Consol. Textile	....	.....	.....	7[E]	9.74%	.....	14	6	5	4	3
Botany Consol. Class "A"	$2.12[G]	.....	.....	151	7.42%	9.75%[F]	...	...	...	...	41
Pacific Mills	....	8.11	5.91	39	....	.....	95[HI]	84[I]	87[I]	69[I]	62[I]

A—Shawsheen Mills
B—Webster Mills.
C—Excluding Webster & Shawsheen Mills.
D—Excluding Shawsheen Mills.
E—Excluding notes due from Knight.
F—Class "A"
G—Yr. ending May 31, 1925.
H—Basis new stock.
I—Boston Stock Exchange.

index was 147 and clothing was at 187. The latter has remained stable while other commodities have gone ahead 10%. Today, it is relatively much cheaper and in a more favorable business setting.

There has been consistent improvement in the volume of cotton manufacture. Cotton consumption has risen 40% above last year; 10% more cotton spindles are operating. Present low prices of cotton have reduced the cost of raw materials. The epidemic of wage reductions has cut labor costs by 10% and in some places by more. Labor cost runs to about 20% of the cost of production. This economy has a heavy drawback in that if it leads to strikes it may not prove as economical as it appears at first glance. In woolen manufacture, labor costs form a somewhat higher proportion.

Wool has not faced such cheapness in raw materials, as there was a pronounced upward movement in prices until June. Switching of demand to worsteds remains the problem of the industry, as the veering of taste away from worsteds was the major problem in the last three years.

The New York Stock Exchange list is less representative of the textile field than most others. There is only one active stock—American Woolen—three large but inactive issues—Consolidated Textile, Pacific Mills and Botany Consolidated—and two seldom heard of—Daniel Boone Woolen Mills (in bankruptcy) and Essex Cotton Mills 1st pfd., known only to specialists. For this reason it will be necessary for us to present a second article on the unlisted mill stocks, both New England and Southern.

AMERICAN WOOLEN The future of American Woolen resolves itself into the question of the future of its preferred stock. The preferred stock has paid its $7 dividend since the foundation of the company in 1899, and only in two years has it failed to earn its dividend. One of these was 1924. For the five year's previous it averaged $17 a year in earnings, and had at no time earned less than $11.5. Hence, the dividend in 1924 was paid out of surplus, as it has been since. The management have announced that the conservation of the preferred dividend, and its retention in the list of standard highgrade investments is the principal aim of the company.

The decline in the surplus of American Woolen from $33,000,000 at the end of 1923, to $22,000,000 at the end of 1924 is obviously a situation that must not be repeated. In fact the surplus should be restored to nearly its former level, if sustained financial power is to be exhibited by the company. The management, under whose administration the business had experienced these calamities, is no longer in control, and the new Pierce management is in the saddle.

Whatever the general textile difficulties, such as we have given above, and whatever the worsted situation, the fact remains that a great deal of American Woolen's troubles has arisen in connection with ill-considered and expensive policies of expansion. The company was too grandiose for its possibilities. It had all sorts of expensive social schemes for its employes. These were of a character easily sustained by such a corporation as U. S. Steel with more ready cash than any national bank, but not so easily borne by a much smaller corporation. The concentrated character of industry and transportation in New England, and its centering in Boston, carries with it the temptation to schemes of consolidation. American Woolen was caught within this cycle, and its Shawsheen and Webster subsidiaries, as many other items in its property account, bear testimony to the cost of this ambitious policy.

The new Pierce management is strictly businesslike. It is understood to have saved $2,000,000 per annum in the overhead alone. It has no plans other than to do the business and pay dividends. The yarn and waste departments have been consolidated. Selling offices have been concentrated. The whole organization has been revamped on an economy basis. Social schemes have gone into the background. Management, alone, is responsible for the recent 20-point gain in the preferred stock.

Sales have been conjectural. The new Fall lines have shown an attractive recession of price on worsteds. The decline in worsted consumption has been the one factor that has hit the company harder than any other. Most of the spindles are built for worsteds and a revival of demand for this cloth will again bring prosperity. There seems to be definite signs of this demand, as of a larger demand for lightweight woolens. But the sales situation has not improved anything like the management situation. Still, keen observers have felt that the two together will result in the preferred earning its dividend this year.

Has the worst been seen financially? Apparently, yes! The strong working capital position, over $60,000,000, or 20% more than the preferred stock outstanding, makes failure an impossibility. The surplus should be built up, and probably will be built up at the cost of common dividends which will be indefinitely deferred.

What the company must do is to get rid of the funded debt it has endorsed for Shawsheen and Webster Mills; $5,500,000 due in 1931 and $5,500,000 in 1934. Interest and provision for their retirement call for $2,000,000 a year, the amount believed to have been saved by the new management. Surplus rebuilding will require at least $1,000,000 a year. To earn the preferred dividend the company will have to realize a profit of $6,500,000, if it wishes at the same time to conserve its position against all future contingencies. If it does as well as it did in a slow year 1922, it will have accomplished this. In 1923, it did better. The probabilities favor its being able to make nearly this amount if not actually surpassing it.

The company has still to get rid of the effects of a bad heritage. It has to earn as much as its average since the post-war deflation to buttress itself. It has to earn more than its pre-war income in order to do this.

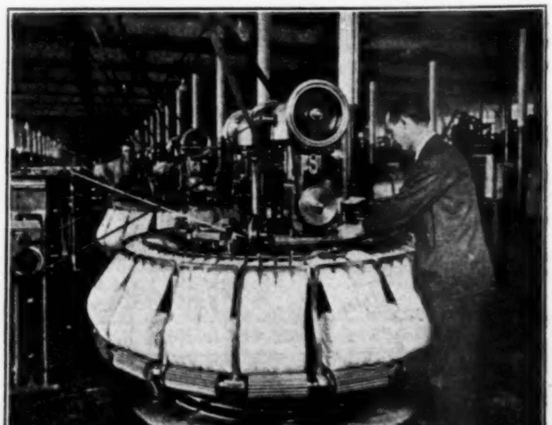
American Woolen preferred should not yet be regarded as a sound investment. Nevertheless, the stock should advance towards par, as the day of the company's earnings statement draws nearer. The common stock remains a speculation resting only on the expectation of increased asset values.

CONSOLIDATED TEXTILE The failure of B. B. & R. Knight, the principal subsidiary of the Consolidated Textile Corp., has undoubtedly been the outstanding event of the company's year. The stock declined from 14 to 3 as a result, and has not shown any signs of rallying, as yet.

The balance sheet had carried B. B. & R. Knight stock as worth $11,600,000 and this may, of course, be disregarded, even though some value may emerge in a reorganization. The amount of $5,000,000, owing to Consolidated by Knight, may also be scaled down considerably, as the bondholders of B. B. & R. Knight will have precedence of this claim, and it may be a long time before anything is realized thereon, if at all.

Capital structure has special weaknesses. The 8% first mortgage convertible sinking fund bonds due 1941 are selling on a 9.75% basis, and they require for their service $500,000 at

What Columbus' Father Did by Hand



The Noble Wool Carding Machine

least. The yield does not indicate confidence in this capacity. This fear is warranted, for there is due to bankers, maturing in 1929, $6,500,000 in 7% notes. It is doubtful that there is any possibility of the company being able to refund this obligation in a satisfactory manner, let alone retire the issue. In addition, the Knight bonds are, of course, in default, and the bondholders have acted.

The earnings capacity of Consolidated Textile has not hitherto been bright. In 1921-3 the consolidated income account, including subsidiaries showed deficits of $757,000 and $2,177,000 and one profit of $54,000. Obviously, the deficits were not due to Knight alone as in 1924 the Consolidated Textile statement alone showed a deficit of $2,000,000. Knight lost $4,100,000. In 1925, the earnings statements showed a loss of $33,000 for the first six months on Consolidated alone.

In view of the obviously weak earnings possibilities, and of the certainty that in 1929 the company will have to meet the obligations of the bankers' notes, or evade them expensively, it follows that even the assets value of the common stock is not altogether safe. The one definite strong factor has been the excess of current assets over current liabilities, about $7,000,000 when the Knight account is disregarded, but there is nothing to indicate that the working capital will be as strong towards 1929 as it was in 1924.

The common stock, of course, is a pure speculation, without any tangible possibilities of appreciation.

BOTANY CONSOLIDATED MILLS

Botany Consolidated "A" stock is a newcomer on the New York Stock Exchange having been listed July 8, 1925. The company controls Botany Worsted Mills, the Garfield Worsted Mills and has a large interest in two German holding companies in turn controlling various textile works in several countries of central Europe. The business is in fine worsted cloths, worsted yarns, cloakings, and in Europe, in woolens, ribbons, laces, etc.

Capital structure is usual for new holding companies. To help acquire control subsidiaries, a funded debt of $9,300,000 has been incurred. This 6½% issue sells approximately on a 7.50% yield basis. Sinking fund requires $250,000 for 1925; $350,000 for the next two years; $450,000 in 1928 and 1929; and $500,000 thereafter to 1934, the maturity date. In 1925, the company must earn $250,000 for this sinking fund, $600,000 for interest, and must pay out $315,000 in purchase liabilities. This amount of nearly $1,200,000 is $400,000 in excess of earnings after taxes and depreciation during the twelve months ended May 31, 1925, according to the tentative statement. Net income was considerably lower than that for the year ended Dec. 31, 1924.

Working capital position is satisfactory. Prospects for increased profitable business this year, while reasonable, are, of course, dependent on the revival of the worsted market. Their labor policy is conciliatory. Profits of the European subsidiaries are subject to many political factors, especially as some of the mills are in countries such as Latvia, Hungary, Czechoslovakia, etc. Nevertheless, these European holding companies are reported as ready to make dividend declarations.

In view of the heavy funded debt, and the fact that earning power much in excess of debt requirements has not yet been demonstrated, it is obvious that Botany Consolidated "A" which pays dividends of $4 a share must be considered a speculation. *At the present price of* 41 *it is at as high a level as it should reach for the time being.*

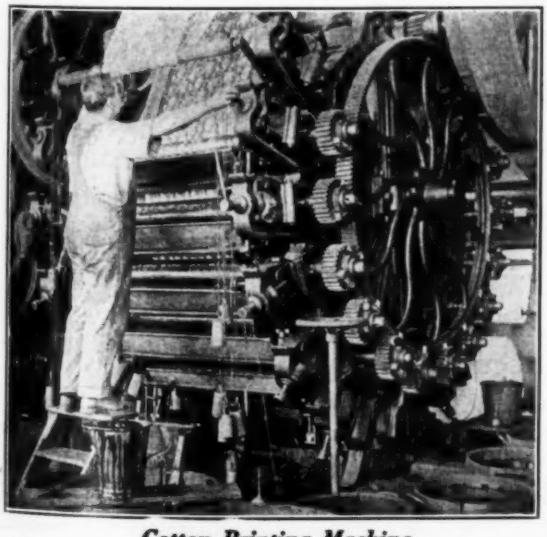
PACIFIC MILLS

The Pacific Mills, founded in 1850, have always been one of the greatest of the New England Textile enterprises. They also have extensive properties in the south. While principally engaged in manufacture of printed, dyed and bleached cotton goods, the company also manufactures worsteds. It has 11,000 employes.

There is no funded debt or preferred stock. The capital stock outstanding is $40,000,000. Although the stock is listed both in Boston and New York, its principal market is in Boston.

The company has paid dividends without a break since 1863 and has frequently declared stock dividends. It has always been under a strictly high-class business management.

Where Calico Gets Its Design



Cotton Printing Machine

> *This is the first of a series of two comprehensive articles on the textile industry and textile stocks. The current article deals with four of the principal companies whose securities are listed on the N. Y. Stock Exchange. The next, appearing in our October 10 issue, will cover those New England and Southern companies whose securities are not listed.*

Operating loss in the year 1924 compelled a reduction of dividends, until May, 1925, the dividend was finally brought down to a $3 basis. The deficit in 1924 was $2,200,000, which reduced surplus to $7,000,000. The loss amounted to $5 a share.

This year, the situation has been reversed. First quarter showed earnings of $1.15 a share and the second quarter, always the dullest, showed net earnings of 25 cents a share. Trade reports indicate that the second half will be much more profitable, so that the dividend may be earned. It is important to note that the worsted department, which took the brunt of last year's losses, is in a much better position.

Unfortunately, expectation of profits rests considerably on wage cuts that have been put into effect. If a strike is averted, this saving in costs will result in a good earnings year, but in the event of a strike, it is possible that another deficit will be reported.

Capital position is sound and working assets ample. Full recognition has been given these factors in the present high price of the stock.

Present quotation is 62, and the yield is less than 5%. This high quotation rests on knowledge of the demonstrated high earning power of the stock in good years. In view of the strike contingency, however, and the fact that the company will probably choose to build up its surplus rather than increase the dividend rate, the stock seems to be selling high enough.

The non-representative character of the textile securities listed on the New York Stock Exchange is clear. That the cotton and wool manufactures of this country, valued at hundreds of millions of dollars, should be one of the first of American enterprises in the industrial sense, and the last of the important groups on the Stock Exchange, is a striking contradiction. This contradiction goes far to explain much of the market action. It certainly differentiates cotton and woolen manufactures from the comparatively well represented silk and hosiery industries.

The cotton manufacturing industry in New England has been mainly in the hands of closed or nearly closed corporations. Wherever the corporation has been more than a mere family affair, it has seldom published com-

prehensive financial statements. For this reason the market for the securities was limited to such places where investors had local familiarity with the industry and the particular enterprise. The same tendency manifested itself in the South. This background has meant several things. It has meant that the simplest of capital structures —common stock only—has been the rule in the industry. Pacific Mills is the only listed textile security that follows this pattern. It is this structure that has enabled it to withstand depression so well.

The experience of decades has shown that the simplest capital structure is best fitted to take care of trades, such as woolen and cotton, which alternate between large profits and considerable depression. There is no funded debt to be met. There is no preferred stock, on which the failure to pay dividends shakes investor confidence. Where there is a simple common stock structure, investors look to intrinsic value and to earning power and average dividend record over a term of years. Surpluses can be built up in times of prosperity, without thought of antagonizing large bodies of investors in senior securities.

The utter disregard of these elementary considerations has led the Consolidated Textile to its present condition. It has yet to be demonstrated that the cotton manufactures can tolerate the type of capital structure which is possible to other industries.

Future listings of textile enterprises will, doubtless, be guided by the experience of the past. The New York Stock Exchange is increasingly devoting attention to the fundamental economic soundness of types of capital promotion. When such discernment becomes the rule, the textile stocks will be listed in great number.

Securities and Commodities Analyzed in This Issue

Preferred Stocks

DESPITE the irregularity witnessed in the stock market in quotations for common stocks, preferred shares held steady with quiet but persistent demand for issues behind the market, although there was little change in the general price level. Here and there advances of a point or more were recorded, with recessions among other stocks, represented by a paucity of sales which naturally did not give an accurate picture of the fundamental situation in such stocks. Stocks which showed pronounced strength were Gimbel Brothers, Brown Shoe, Orpheum Circuit, International Paper, Dodge Brothers and Consolidated Cigars preferred. Among the rails, Gulf, Mobile & Northern was a very strong spot, with an advance of six points. There is little which can be added to our previous comments with respect to the position of preferred stocks. In the lesser known issues there are still good opportunities not only for attractive returns, but also for enhancement in value of the investment, although the high-grade issues are now probably selling at levels which have discounted the situation.

PREFERRED STOCK GUIDE

(LISTED IN ORDER OF PREFERENCE)

These Stocks Are Selected as Offering Best Opportunities in Their Respective Classes, Taking Into Consideration Assets, Earnings and Financial Condition of the Companies Named.

SOUND INVESTMENTS

	Div. Rate $ per Share	Approx. Price	Approx. Yield	Times † Divid'd Earned
INDUSTRIALS:				
General Motors Corp. ....(c)....	7	112	6.3	(y) 5.1
Cluett-Peabody & Co. ....(c)....	7	106	6.6	3.5
Loose-Wiles Biscuit Co. 1st ....(c)....	7	105	6.7	2.5
Studebaker Corporation ....(c)....	7	118	5.9	20.0
Schulte Retail Stores Corp. ....(c)....	8	114	7.0	(w) 10.0
Gimbel Brothers, Inc ....(c)....	7	107	6.5	3.3
Baldwin Locomotive Works ....(c)....	7	108	6.5	3.2
Endicott-Johnson Corp. ....(c)....	7	116	6.0	4.5
American Smelting & Ref. Co. ....(c)....	7	112	6.3	1.7
American Steel Foundries ....(c)....	7	112	6.3	6.7
U. S. Industrial Alcohol Co. ....(c)....	7	109	6.4	5.2
Associated Dry Goods Co. 1st ....(c)....	6	96	6.3	4.0
PUBLIC UTILITIES:				
North American Co. ....(c)....	3	50	6.0	(w) 6.9
Philadelphia Company ....(c)....	3	49	6.1	5.6
RAILROADS:				
Chicago & Northwestern ....(c)....	7	111	6.4	....
New York, Chicago & St. Louis ....(c)....	6	94	6.4	(y) 3.7
Chesapeake & Ohio conv ....(c)....	6.50	112	5.8	9.0

SEMI-SPECULATIVE INVESTMENTS

	Div. Rate $ per Share	Approx. Price	Approx. Yield	Times † Divid'd Earned
INDUSTRIALS:				
Bush Terminal Buildings Co. ....(c)....	7	101	7.0	1.1
Brown Shoe Co. ....(c)....	7	107	6.5	3.9
Cuban-American Sugar Co. ....(c)....	7	96	7.3	7.5
Armour & Co. of Del ....(c)....	7	96	7.3	(w) 2.3
Allis-Chalmers Mfg. Co. ....(c)....	7	107	6.5	2.8
Genl. American Tank Car Co. ....(c)....	7	101	7.0	4.0
Natl. Cloak & Suit Co. ....(c)....	7	101	7.0	4.5
PUBLIC UTILITIES:				
Radio Corp. of America A pfd ....(c)....	3.50	50	7.0	(w) 3.5
Amer. W. Wks. & Elec. Corp. 1st ....(c)....	7	99	7.0	2.8
Public Service of N. J. ....(c)....	8	115	7.0	3.4
RAILROADS:				
Baltimore & Ohio ....(n-c)....	4	66	6.1	(y) 4.75
Bangor & Aroostook ....(c)....	7	93	7.5	2.5
Colorado & Southern 1st pfd ....(n-c)....	4	64	6.3	7.5

SEMI-SPECULATIVE INVESTMENTS

	Div. Rate $ per Share	Approx. Price	Approx. Yield	Times † Divid'd Earned
INDUSTRIALS:				
Famous Players-Lasky Corp. ....(c)....	8	116	6.9	(y) 6.5
Pure Oil Co. conv. pfd ....(c)....	8	107	7.4	4.2
American Beet Sugar Co. ....(c)....	7	86	8.1	1.5
National Department Stores ....(c)....	7	96	7.3	4.0
Austin, Nichols & Co.	7	94	7.5	1.8
Worthington Pump & Mfg. "A" ....(c)....	7	77	9.1	2.0
Orpheum Circuit ....(c)....	8	104	7.7	(w) 3.2
International Paper Co. ....(c)....	7	91	7.7	1.75
Dodge Bros., Inc. ....(c)....	7	83	8.4	..
Consolidated Cigar Corp. ....(c)....	7	87	8.1	(x) 3.0
PUBLIC UTILITIES:				
American & Foreign Power Corp. ....(c)....	7	91	7.7	(w) 2.0
Hudson & Manhattan Ry. ....(n-c)....	5	69	7.3	(x) 3.6

SPECULATIVE INVESTMENTS

	Div. Rate $ per Share	Approx. Price	Approx. Yield	Times † Divid'd Earned
RAILROADS:				
Chicago, Rock Island & Pac. ....(5-7%)....	7	96	7.3	(x) 1.35
Gulf, Mobile & Northern ....(c)....	6	103	5.8	(x) 1.3
Western Pacific ....(c)....	6	76	7.9	(x) 1.0

(c) Cumulative. (n-c) Non-Cumulative.
(w) Average for last two years.
(x) Average for last three years.
(y) Average for last four years.
† Average number times earned last five years.

Thirteen Speculative Low-Priced Stocks With Good Market Possibilities

	$ Earned Per Share 1923	1924	1925	Price Range 1924 High	1924 Low	1925 High	1925 Low	Mkt. Price	Div. ($)	Yield %	Working Capital Per Share	COMMENT
Ahumada Lead	[1]0.31	0.57	[2]0.35	Not Listed		12⅝	9¾	$11	1	9.0	$0.07	Sound, well managed, Mexican lead producer. Strong position of lead industry and stable conditions in Mexico augur well. Good yield.
Amer. Chain A......	†5.16	†2.92	N.B	25	21⅜	26⅛	22⅝	24	2	8.3	32	Well developed earning power. Strong working capital position. After $2 dividend on common, Class A stock shares equally in further payments.
Amer. Hide & Leath.	Nil	Nil	Nil	14⅝	8¾	14	8½	11	—	—	66	Dividends on common not in prospect, but speculative position of issue improved by recapitalization and improving conditions in leather industry.
Armour & Co. A....	†2.00	†2.25	N.B.	Not Listed		24¼	20	23	2	8.6	72	Showing substantial improvement in earning power after post-war depression in packing industry. Financial status greatly strengthened. Outlook good.
Austin-Nichols	[3]2.93	[4]3.13	N.B.	33½	18½	32½	22	28	—	—	33	Steady improvement in earning power foreshadows dividends for common.
Brunswick-Balke-Col.	[5]17.63	4.46	[6]0.02	Not Listed		49⅜	24	29	—	—	4	New electrical phonograph invention should help company's prospects. Has speculative possibilities.
Continental Motors ..	1.08	1.42	[7]0.80	8⅞	6	11⅜	8¼	9	0.80	8.8	6	Entitled to speculative consideration on basis of unusually strong working capital position and enhanced earnings.
De Beers Ltd........	1.60	1.00	N.B.	22¼	18¼	25⅛	20¼	25	0.97	3.8	21	Formation of new syndicate to control diamond industry factor of strong potential benefit to company.
Dodge Bros. A.......	—	3.35	[8]4.74	Not Listed		31	21¾	25	—	—	33	Shares seem out of line in view of earning power shown this year.
Douglas Pectin	[9]0.94	1.27	[8]1.44	18	9⅜	23½	14	22	1	4.5	6	Earnings running at rate which indicates ability to pay more liberal dividend.
Glidden Co.	[10]1.98	[10]2.66	[7]1.92	15	8	24⅛	12½	22	—	—	17	Developing new products. Material expansion in earnings shown. Directors have indicated intention to pay dividends at rate of $2 a share.
Motor Wheel Corp. ..	2.56	3.76	[2]1.32	Not Listed		35	18	30	2.00	6.6	8	Occupies strategic position in motor industry due to control of balloon tire patents. Largest producer of wheels and rims. Larger dividend a possibility.
Park & Tilford......	—	2.79	N.B.	35¾	24	35½	26½	28	—	—	10	Company's affairs showing marked improvement under control of Schulte interests. Prospects favorable.

1. 8 mos. ended Dec. 31.
2. First quarter.
3. Year ended Jan. 31, 1924.
4. Year ended Jan. 31, 1925.
5. On stock of $100 par value.
6. Preliminary 1st quarter report.
7. 6 mos. ended Apr. 30, 1925.
8. 6 mos. ended June 30, 1925.
9. 9 mos. ended Dec. 31, 1923.
10. Year ended Oct. 31.

N. B. no statement.
†After allowance for participation of class B shares.

Ten Over-Exploited Stocks

A List of Stocks Which Appear to Have More Than Discounted Their Prospects

By JOHN MORROW

THERE is a saying or rather a truism in Wall Street which extends almost back to the buttonwood tree trading days to the effect that in any extended market movement the pendulum always swings too far. It swings down below the true value level in a bear market and swings far beyond the true value level in a bull market.

As everyone knows a bull movement generally starts below the level of values. At first it is a slow process, until gradually market prices are adjusted to values and this adjustment is more or less of a continuing process because as general business, which a bull movement tries to discount, improves, earnings grow, and speculative values move to higher levels. Even before the final stages of a bull market set in, speculative buying coming into the market is based 90% on hopes, expectations, on what might happen if this occurs and that occurs.

On top of the value level is piled layer upon layer of expectations, hopes and possibilities. Every dawn is barred with the golden dollar sign. At this stage, over-exploitation of speculative issues becomes manifest, and the word exploitation is not used in the critical sense. The present bull market presents a far greater number of issues on which to pin speculative hopes than any previous bull market. There is far greater diversification, a wider variety of choice, a foundation spread to cover more ground than perhaps Wall Street believes would have been possible a few years ago. There are so many angles to consider, so many considerations to study that it is almost impracticable to consider the market as a unit, especially in the industrial shares. In a large sense, advances in market values have been through group movements, and for days at a time market observers have seen the stock market almost completely dominated by a half dozen issues. Lately the merger idea has been exploited almost beyond reasonable belief.

There is almost a suspicion that many issues are stealing a ride in another's conveyance, basking in the reflected glory of a stronger brother. The broadcasting of the values of this issue and that issue becomes louder until any one who listens can learn the innermost secrets of favored speculative issues. Is there anyone who remembers a period when broadcasting was indulged in when stock prices were below the real value level?

General business is good, mostly that is, but to regard the price levels of some speculative stocks, it might be supposed that the competitive stage of business had been entirely superseded by the monopolistic stage which again, as everyone knows, is not so. In other words, some companies are held up as being in a position where earnings have no known bounds, no limits. Enthusiasm has displaced judgment with caution going on an indefinite holiday. These statements may seem exaggerated and the criticism raised that they do not apply to each and every one of the industrials. They are not directed as a blanket indictment of market values, but it does seem as if there are some situations which have been over-exploited, where market values have gone beyond true values and where hopes of possible accomplishment have entirely superseded probabilities.

In the following an attempt is made to select ten issues which fit such a picture, to give a short synopsis of their situation, together with a tabular presentation of pertinent facts.

AMERICAN SAFETY RAZOR CORP. Speaking of competition, as almost everyone does, in what field is competition sharper, no pun intended, than in the safety razor field? When this industry is considered, thought almost involuntarily turns to Gillette and not to American Safety Razor Corporation, although the business of the latter has prospered steadily in the last five years until the 1924 earnings reached a respectable total. Based on the six months showing this year it is doubtful if the dividend rate can be substantially increased above $3—the present dividend.

American Safety Razor is very much of a specialty, has sometimes protracted periods of market inattention and naturally demand for the shares is anything but sustained or steady. It seems as if funds which were seeking permanent employment in the industry which American Safety Razor represents, would not naturally gravitate to that company, *and the position of the common stock would seem to be based upon hopes of an earnings increase which is still a question of future possibility and not probability. The stock at current levels of 63 certainly appears high enough.*

CHRYSLER CORP. Chrysler Corporation is the old Maxwell Motor Corporation, and Chrysler cars have been one of the sensations of the automobile world for the past year. The thought that arises in connection with Chrysler is whether 1925 results have not measured rather accurately a peak earning power. The company is strongly entrenched financially and in a position to meet competition, but at the same time Chrysler cars have not been tested in the sense that they are still to bear the pressure of a period when automobile sales are on the decrease rather than on the increase.

It is now rumored that at the end of this year the common shares will be split up on a three for one basis, and placed on a $3 dividend basis. That possibility does not seem to be a reason for buying the shares in a price level of between 135 and 140, particularly when it must be admitted that in comparison with many other automobile shares of established reputation Chrysler is unseasoned both in market experience and the product. Chrysler common stock is really selling at a level which would indicate years of successful tests in all kinds of automobile markets. Concentrated holdings probably bear some direct relation to the price of the stock, but that is not an argument necessarily for purchase. *The stock evidently has done all that could be expected of it in the market.*

COMMERCIAL SOLVENTS CORP. Commercial Solvents Corporation made a net profit of $1,000,000 last year, and it was estimated that this year would show almost as sensational a performance. The company's chief product is Butanol, used largely in the

new automobile paints. The success of the new automobile flat finishes is well nigh established and yet in the six months ended June 30, 1925, Commercial Solvents earned less than in same period of 1924, which does not suggest that earning power is keeping pace with the wider use of this particular product. There have been reports from time to time that German competition is the big "fly in the ointment." There are no details on this point, but certainly earning power is far behind the expectations of eight to nine months ago.

Capitalization is limited, market prices have receded substantially from the levels of earlier in the year, but, in the writer's opinion, have not receded to a point where present earning power is truly reflected.

CRUCIBLE STEEL Crucible Steel before the war was known as a manufacturer of specialty steel. Surplus funds arising from war business were used to no small extent in expansion of facilities, in renewal of manufacturing equipment, and from a physical standpoint Crucible is strongly entrenched. But in this period of steel manufacturing it would seem as if Crucible must stand or fall on its record in the field of general line of commercial steel—a field where competition is keen and where Crucible is in not as advantageous position perhaps as some of the older companies which furnish the competition.

It may be asked why Crucible Steel common stock maintains such a relatively high level if this is true. Perhaps a speculative short interest stubbornly sustained is the answer. Crucible's earnings since 1921 do not lead to the impression that an increase in the current dividend rate is probable and there are no extraneous factors such as consolidations, etc., to lend a speculative appeal. *On earning power alone the common shares appear too high.*

ELECTRIC POWER & LIGHT CORP. Electric Power & Light Corporation is one of the newly created public utility consolidations under the supervision or control of the Electric Bond & Share interests. Electric Power & Light controls the Southern Power & Light, Utah Power & Light, Utah Light & Traction, New Orleans Public Service, Dallas Power & Light, Idaho Power and Nevada Power.

Territory served is in Louisiana, Texas, Utah, Colorado, Idaho, Wyoming and Oregon. Earning power is difficult to reckon, but it may be roughly figured that earnings last year from operating subsidiaries were equal to perhaps $2 a share on Electric Power & Light common. This does not include Southern Power & Light, which will earn a net of about $1,000,000 annually, equal to, say, 45 cents on 2,400,000 shares of Electric Power & Light common.

Possibilities of steady earnings expansion are undoubtedly favorable to Electric Power & Light, but reckoning possibilities in this current stock market is rather a dangerous procedure, and the market appreciation and value in Electric Power & Light common appears already to have gone rather strongly in the direction of possibilities.

PRESSED STEEL CAR CO. Pressed Steel Car Company, one of the country's large manufacturers of passenger and railroad freight cars as well as street cars and miscellaneous kindred lines, is the only one of the prominent equipment companies which has not been capable of sustaining dividend payments upon the common stock. Financial condition at the end of 1924 was strong enough, but the time is past when a strong financial position alone can be used as a measure of stock market value. It has come to the point when criticism may be directed at a strong liquid position as indicating lack of business in which to employ working capital. There has been little or no improvement in railroad equipment business since payments were suspended on the common stock in June, 1924, and on June 30, 1925, the total of unfilled freight car orders for the whole country was but 50% of the similar 1924 period.

The common stock at 50 or thereabouts is not high if definite dividend resumption were in the offing, but this idea is difficult to entertain in view of existing conditions in the company's business. *Therefore, the market appraisal of the shares arouses the suspicion that quotations are based on the generally strong market situation rather than upon individual merit, and at this particular point of the proceedings such stocks would better be avoided.*

U. S. CAST IRON PIPE U. S. Cast Iron Pipe common is one of the market's greatest spectacular performers, with control supposed to rest directly in the hands of a man who is known as a very daring and resourceful operator. If the earnings of 1924 were a fair guide to normal ability the common stock at present prices would be conservatively valued, but those earnings so far overshadow the record of the company as to create the thought that they were the product of an abnormal condition. The preferred stock is sound enough, but the common is a dangerous issue for a trader of average means. It has been admitted that current business is running under last year's volume and that French competition has affected prices considerably. Margin of profit this year is thought to be smaller, and a duplication of last year's

Ten Over-Valued Stocks

Name	Per Share Earned on Common 1924	1925	Div. Rate	Recent Price	Yield	1924 High	1924 Low	1925 High	1925 Low
Crucible	* $4.55	*A $4.50	$4	70	5.4%	76	48	79¾	64½
Chrysler	$3.56	A $12.00	..	140	....	39¾	10⅛	148	33¼
Commercial Solvents .	$12.50	AC $6.00	D ..	E 98	....	129½	33	189	76
Elec. Power & Light..	$2.50	......	..	31	....	..	..	40⅛	17⅝
Pressed Steel Car.....	$2.43	......	..	55	....	62	39	69	45
U. S. Cast Iron Pipe..	$43.17	......	..	167	....	169⅝	64	250	131¼
Universal Pipe	$2.96	F $1.23	..	35½	....	48	13	50⅞	26½
Ward Baking "B"....	$2.51	A $5.00	..	68	....	..	..	73⅞	37¼
Woolworth	$8.00	A $9.50	$3	167	1.8%	G 345	280	H 171½	112¼
Amer. Safety Razor..	$5.10	A $6.00	$3	63	4.7%	40⅝	35⅝	68	36⅞

* Yr. Aug. 31st   C On combined A & B shares   E "B" stock record   G $100 par   J $25 par
A Estimated   D Pays $4 on Class A   F 6 mos. June 30   H $25 par
B Old Maxwell common before reorganization

earnings performance is not expected. *This uncertainty and the peculiar market position of the stock are factors pointing to avoidance of the issue as the safest policy.*

UNIVERSAL PIPE & RADIATOR CO. Universal Pipe & Radiator is a new organization manufacturing boilers, radiators, plumbers' supplies, etc. It seems that the company should have been one to benefit largely by a building boom and there is no doubt about the building boom. In other words, in view of the conditions of the building industry in the past two years, it is a matter of surprise rather than otherwise that earnings have not gained greater volume than they have.

Market sponsorship of both the preferred and common shares apparently depends to a large extent upon operations of a few individuals, and such issues absorb at least a measurable portion of their present values from the general market situation. *The earnings record thus far registered is not such as to attract the shares as permanent commitments at existing levels.*

WARD BAKING CORP. Lately, there has been a great amount of talk about large consolidation of baking companies, which would include among others the Ward Baking Corporation. It is interesting to note whether the consummation of such a merger would arouse antagonism and whether the Federal Trade Commission would give official cognizance of such a consolidation. Large consolidations of companies engaged in the sale of bread would seem to offer possibilities to political agitators which might develop into a stock market consideration. Ward Baking Corporation is a well known company, but its securities are new to the public market.

Estimated earnings on the "B" stock, which practically doubled in price since listing, would not seem to admit of dividend payments at a compensatory rate. In other words, much of the advance in the shares apparently has been based upon merger talk and is not, in the writer's opinion, a safe or conservative basis for speculation.

This is no intended criticism of the Ward Baking Corporation because the business is well established and holds definite possibilities looking toward the expansion of earnings, irrespective of mergers, but disappointment in merger expectations might cause rather a substantial reaction in the price of the "B" shares, and even the accomplishment of a merger might show that the immediate benefits had been thoroughly discounted. *In other words, the stock had better be left alone at current levels.*

F. W. WOOLWORTH CO. It may seem almost high treason to select a chain store stock among those which are selling too high, but nevertheless it is selected with a plea for indulgence. Woolworth now has 2,600,000 shares of stock outstanding with a market value of over $400,000,000. On this market value earnings in 1924 and 1925, which exceeded all previous records, were about 5% in each year. On a per share basis, earnings last year were about $8 and it is estimated that they will be over $9 this year. It is also forecast that Woolworth will start 1926 with goodwill entirely eliminated, which means the wiping out of an item of $50,000,000 in fourteen years. That is all constructive and testimony to the soundness of the company, of which there can be not the slightest doubt. On the other hand, does not the present market appraisal of the company's common shares testify to the fact that these sound constructive features have been discounted, have been realized, have been generously interpreted in stock market quotations?

No one buys Woolworth common for the dividend return, and even if the rate were doubled the yield would not be remunerative. The stock is closely held, it is admitted, by interests who know more about the company's affairs than anyone else can possibly hope to know. What considerations impel the maintenance of these concentrated holdings is beyond the point in an estimate of the value of the common shares, as it may apply to the average outside purchaser. *He is or should be concerned with the idea of whether Woolworth's position has been generously discounted, and the conclusion is almost inevitable that it has been so discounted. Under the circumstances, the stock cannot be considered attractive at current levels.*

Important Changes in Capitalization of Leading Companies

Proposed Changes

ALABAMA & VICKSBURG RY. CO. (THE). (See Illinois Central.)

AMERICAN CHICLE CO.
Oct. 1—To redeem: all 5-Yr., 6% g. Notes, due Oct. 1, 1927, $279,250

AMERICAN TELEPHONE & TELEGRAPH CO. (See Western Electric.)

ATLANTIC GULF & WEST INDIES STEAMSHIP LINES.
Until Sept. 15—Offers: to Com. Holders of record Aug. 28 right to subscribe, at $40, to 1 sh. new com. for each 3 shs. held, shs. 49,878

BETHLEHEM STEEL CORP.
On and up to Jan. 1, 1926—Will redeem: all 1st extension mtg. 5s; due Jan. 1, 1926 .... $6,330,000

BOSTON & MAINE R. R. CO.
Before Oct. 1—To readjust capital structure: in accordance with plan made public Apr. 2 by General Committee of Bondholders and Stockholders.

BUFFALO, ROCHESTER & PITTSBURGH RY. (See Delaware & Hudson.)

CERTAIN-TEED PRODUCTS CORP.
Nov. 1—To redeem: all 1st mtg. 6½s, '25-'43 .... $7,760,000

CHICAGO & NORTHWESTERN RY. CO.
To issue: 4½% eq. tr. ctfs. $5,415,000

CHILDS CO.
To pay: to Com. Holders a Div. of 1% in Com. Stk. on each of the following dates: Oct. 1 and Dec. 1.

COCA-COLA CO. (THE).
To retire: at $100, Add. 7% Cum. Pfd. $3,000,000

DEERE & CO.
To redeem: at 103, all 10-Yr., 7½% g. Notes, '31 .... $7,516,000

DELAWARE & HUDSON CO.
Plans to acquire: through 999-Yr. lease, the BUFFALO, ROCHESTER & PITTSBURGH RY. at a rental sufficient to assure 6% on the $16,500,000 outstanding Pfd. & Com. Stk. D. & H. is also to pay all fixed charges and assume maturing debts.

DELAWARE, LACKAWANNA & WESTERN R. R. CO. (See Morris & Essex.)

FEDERAL LIGHT & TRACTION CO.
Oct. 1—To pay: to Com. Holders of record Sept. 15 a Div. of 1% in Com. Stk. $58,422

FISHER BODY OHIO CO. (Subs. of FISHER BODY CORP., controlled by GENERAL MOTORS CORP.)
On and up to Oct. 1—Will redeem: at 110, all 8% Cum. Pfd. Stk. $10,000,000

GENERAL ELECTRIC CO.
Oct. 15—To pay: to Com. Holders of record Sept. 3 a Div. of 5% in "Special" Stk. $9,014,365

GENERAL MOTORS CORP. (See Fisher Body.)

GENERAL RAILWAY SIGNAL CO.
Oct. 1—To redeem: at 110, all 1st mtg., 20-Yr., cv. 6½s, '44, $2,000,000

ILLINOIS CENTRAL R. R. CO.
Plans to control: through 250-Yr. leases, the ALABAMA & VICKSBURG RY. (with $4,200,000 cap. Stk.) and the VICKSBURG, SHREVEPORT & PACIFIC RY. (with $4,999,300 Pfd. & Com. Stk., and $3,845,000 funded debt). Lessee is to guarantee Int. and Divs. on outstanding securities of the two leased roads.

INTERNATIONAL PAPER CO.
Until Jan. 15, 1926—Holders of $25,000,000 6% Cum. Pfd. may exchange, sh. for sh., for 7% Cum. Pfd.; upon payment of $10 a sh. cash.

INTERNATIONAL SHOE CO.
To create: new issue of 6% Pfd. (Divs. payable monthly), $10,000,000
Dec. 1—To retire: at $115, all 8% Pfd. Stk. $17,800,000

MARLAND OIL CO.
Nov. 1—To redeem: at 101, all 2-Yr. 5% Notes, due Nov. 1, 1926, $13,695,000

MARLIN-ROCKWELL CORP.
Until Sept. 14—Offers: to Com. Holders of record Aug. 28 right to subscribe, at $15, to 1 sh. new Com. for each 6⅔ shs. held, shs. 33,421

(*Please turn to page* 928)

Industrial *Public Utility* *Oil* *Mining*

Investors' Indicator

Current Earnings—Dividends—Working Capital

Industrials—	Dollars Earned Per Share 1924	1925 1st Quarter	1925 2nd Quarter	1925 6 Mos.	†Present Div. Rate ($)	Recent Price	Yield (%)	¶ Ratio of Current Assets to Current Liabilities
Air Reduction	8.56	2.70	3.02	5.72	f4	104	3.8	6½ to 1
Ajax Rubber	1.56	..	..	0.52	..	11	..	x3¾ to 1
Allis-Chalmers	8.01	2.17	2.10	4.27	6	85	7.0	5¾ to 1
Amer. Bosch	0.77	0.54	1.19	1.73	..	30	..	2½ to 1
Amer. Hide & L. Pfd	4.28	2.25	0.41	2.76	..	59	..	3⅓ to 1
Amer. La France	1.71	0.26	0.32	0.58	1	13	7.6	9 to 1
Amer. Locomotive	9.80	..	..	Nil	t8	116	6.8	10½ to 1
Amer. Steel Found.	5.75	1.73	y1.37	y2.74	3	40	7.5	6¾ to 1
Beth. Steel	2.56	1.66	1.31	2.97	..	40	..	5¼ to 1
Butterick	3.60	..	..	..	..	19	..	2 to 1
Central Leather Pfd.	def.	1.73	1.26	2.99	..	60	..	19½ to 1
Chandler Motor	4.81	..	..	3.06	3	30	10.0	3¼ to 1
Cluett, Peabody	6.94	..	..	3.72	5	60	8.3	15¼ to 1
Coca-Cola	10.00	2.80	5.60	8.40	7	137	5.1	4½ to 1
Colo. Fuel & Iron	1.05	1.54	1.88	3.42	..	37	..	3⅓ to 1
Corn Products	3.61	0.53	0.48	1.01	2	37	5.4	12 to 1
du Pont (E. I.)	12.45	..	..	9.38	a8	146	5.4	11¾ to 1
Endicott-Johnson	8.04	..	..	3.76	5	67	7.4	3 to 1
Famous Players	20.08	4.87	..	..	8	106	7.5	m3¾ to 1
Gen. Motors	7.37	3.08	5.11	8.19	a6	88	6.8	4⅓ to 1
Goodrich, B. F.	10.57	..	..	9.84	4	54	7.4	12¾ to1
Goodyear Tire, pfd.	16.92	..	..	8.31	7	104	6.7	8¾ to 1
Gulf States Steel	7.48	2.88	1.09	3.97	5	77	6.4	8¾ to 1
Hayes Wheel	3.16	0.95	3.17	4.12	3	38	7.8	x6¼ to 1
Hudson Motor	m6.11	n2.90	4.60	z7.50	3	62	4.8	m2⅓ to 1
Lee Rubber & Tire	def.	0.02	0.71	0.73	..	14	..	2 to 1
Mack Truck	17.95	4.33	7.69	12.02	6	198	3.0	9⅓ to 1
Otis Elevator	11.69	3.27	2.95	6.22	6	135	4.4	7¾ to 1
Owens Bottle	4.72	1.20	2.46	3.66	3	56	5.3	7⅔ to 1
Pierce-Arrow Pfd.	6.25	1.68	3.33	5.01	..	86	..	3½ to 1
Postum Cereal	9.44	2.57	2.83	5.40	4	129	3.1	5½ to 1
Remington Type.	9.34	..	..	6.54	..	78	..	6⅔ to 1
Republic I. & Steel	0.55	1.25	1.34	2.59	..	47	..	5¾ to 1
Sloss-Sheffield	10.47	3.00	..	g6.00	6	96	6.2	1¼ to 1
Spicer Manf.	2.32	0.69	1.61	2.30	..	29	..	2½ to 1
Stewart Warner	7.37	2.17	3.60	5.77	5	68	7.3	6⅔ to 1
Stromberg Carb.	7.02	2.00	2.81	4.81	6	69	8.6	7 to 1
Studebaker	7.03	1.85	3.00	4.85	4	45	8.9	3 to 1
Timken Roller	4.83	..	..	3.31	a3	42	7.1	9½ to 1
United Drug	10.93	2.13	4.04	6.17	6	126	4.8	x9 to 1
U. S. Rubber	3.87	..	..	4.02	..	51	..	2⅔ to 1
U. S. Steel	11.76	2.93	3.06	5.99	d7	119	5.9	4⅓ to 1
Willys-Overland	0.23	1.23	2.47	3.70	..	18	..	7⅓ to 1
Youngstown S. & T.	5.68	3.48	3.22	6.70	4	73	5.5	5½ to 1

Public Utilities—	Dollars Earned Per Share 1924	1925 1st Quarter	1925 2nd Quarter	1925 6 Mos.	†Present Div. Rate ($)	Recent Price	Yield (%)	¶ Ratio of Current Assets to Current Liabilities
Amer. Tel. & Tel.	11.31	2.91	2.89	5.80	9	140	6.4	1½ to 1
Brooklyn Edison	11.81	..	..	..	8	136	5.9	1¾ to 1
Brooklyn Union	9.14	..	..	..	4	85	4.7	2¾ to 1
Columbia Gas	4.41	1.67	0.95	2.62	2.60	70	3.7	1¾ to 1
Consolidated Gas	7.48	..	..	..	5	86	5.8	1¾ to 1
Detroit Edison	9.97	3.88	2.20	6.08	8	131	6.2	1⅔ to 1
Hudson & Manh.	3.33	0.97	0.87	1.84	2½	34	7.3	1 to 1
Int. Tel. & Tel.	18.11	3.06	b2.33	b4.68	6	121	5.0	1⅔ to 1
Laclede Gas	15.35	..	..	..	8	158	5.0	1 to 1
Montana Power	4.49	1.64	1.28	2.92	4	80	5.0	1⅔ to 1
North Amer.	3.16	0.87	..	..	3.40	58	6.0	x2⅔ to 1
Pacific Gas & Elec.	8.83	2.98	2.40	5.38	8	110	7.3	2½ to 1
Peoples Gas	11.10	..	..	..	8	115	7.0	1¼ to 1
Philadelphia Co.	5.91	1.73	..	..	4	57	7.0	4⅔ to 1
Pub. Serv. of N. J.	6.57	1.21	..	g2.46	5	79	6.3	c2½ to 1
Stand. Gas & Elec.	6.61	..	..	..	3	53	5.7	j
Western Union	12.36	3.21	3.76	6.97	7	130	5.4	1 to 1
Oils—								
California Pete.	‡2.46	1.29	0.58	1.87	2.00	25	8.0	3¾ to 1
Houston Oil	‡3.93	*2.34	*1.72	‡2.38	..	63	..	5 to 1
Marland Oil	‡0.22	‡2.19	‡2.67	‡4.48	3	41	7.3	x9⅓ to 1
Mid-Continent Pete	0.69	*2.55	*2.69	*5.24	..	27	..	x7¾ to 1
Pacific Oil	3.40	1.16	1.16	‡2.32	3	53	5.7	2 to 1
Pan-Amer. B	5.67	**3.49	..	..	6	60	10.0	2 to 1
Phillips Pete	‡4.59	*2.32	*3.24	*5.56	2	37	5.4	3¾ to 1
Pure Oil	s	..	..	..	1.50	26	5.7	r4 to 1
Sinclair Consol.	‡def.	..	..	..	..	18	..	2¾ to 1
Mining—								
Amer. Smelting	12.60	e4.00	..	..	6	106	5.7	4⅓ to 1
Amer. Zinc Pfd.	‡def.	..	..	3.00	..	27	..	4 to 1
Int'l Nickel	p	0.69	..	..	2	33	6.1	12⅓ to 1
Magma Copper	‡2.20	‡1.25	..	..	3	41	7.3	Net current assets $2,290,000
Nevada Consol.	0.83	**0.34	**0.26	**0.60	..	13	..	7 to 1
Ray Consol.	**0.31	*0.38	*0.28	*0.66	..	13	..	3¼ to 1
Utah Copper	5.03	**1.92	**1.74	**3.66	4	100	4.0	3¾ to 1

** Before depletion.
* Before depreciation and depletion.
¶ As of December 31, 1924.
† Dividend rate covers regular dividends on yearly basis. ‡ After deducting depletion and depreciation.
a Not including extras.
b Figured on present number of shares outstanding—279,585. c As of April 30, 1925.
d Including extra dividends of 50c quarterly.
e Preliminary.
f Not including $1 extra.
g Estimated. h For quarter ended Feb. 28, 1925.
j Current liabilities exceed current assets.
k On present outstanding stock.
m Years ended November 30.
n As of December 27, 1924.
p Year ended March 31, 1925, earned $1.43 a share, compared with 40c a share for year ended March 31, 1924.
s Year ended March 31, 1925, earned $2.83; this compares with $3.22 earned for year ended March 31, 1924.
t Declared $10 extra; payable quarterly during year 1925. x As of June 30, 1925.
y On increased number of shares outstanding.
z 6 months ended May 31.

How To Invest—No. 1

BYFI advises its readers—who are presumed to be, for the most part, smaller investors—to refrain from buying securities on margin—that is, either to buy outright, or not at all.

Some few readers seem to have the idea that we take this stand on moral or ethical grounds. As a matter of fact, the question of ethics does not enter into the subject at all.

Our stand in favor of outright buying for the investor-reader of BYFI is entirely practical.

We judge from experience, observation and report, that the man who buys outright will seldom buy more than he can manage to carry, whereas, the assumption of top-heavy obligations is a cardinal error of the inexperienced margin-buyer.

The outright buyer, as a rule, buys much more carefully and circumspectly than the marginal buyer. Why, we are at loss to say. It ought to be just the other way. Whatever the kink in human psychology that accounts for it, however, the fact remains that the marginal buyer is far more prone to carelessness than the man who hands over 100 cents for each dollar's worth that he buys.

The outright buyer runs the same risk of making an *ill-timed* investment as the marginal buyer, but the results are seldom as harmful. If he has chosen wisely in the first place, he can carry his stock through the reaction and liquidate on the next recovery. The marginal buyer, on the other hand, frequently has to sacrifice his holding at the worst possible time, due, generally, to his inability to "keep the margin good."

Marginal buying has its place, of course, and its advantages. Special situations sometimes arise when a man would be lacking in enterprise were he to overlook an opportunity to increase his interest in a particular medium.

As a whole, however—and for the audience to which this Department addresses itself—the wise course is the *outright* course. It helps keep an investor what he should be—an investor. It puts a premium upon sound investing. It makes for substance in a man's financial affairs. It builds up potential collateral against a possible emergency. It keeps your feet on the ground.

Your Daughter's Dowry

How to Plan It —and Provide It

By FLORENCE PROVOST CLARENDON

YOUR little daughter!

Your joy; your pride; *your responsibility!*

Perhaps she is only a week old. Perhaps it is a month, a year—five years, since she came to make your life happier. You are in early manhood, and it gives you pleasure to work for this little daughter's support; to provide all the comforts you can afford. You look forward to giving her these comforts and added luxuries as she grows older and your income increases. As a matter, of course, you anticipate giving her a good education. You want to endow her with a joyous childhood and a happy womanhood. Your daughter! Your joy! Your welcome responsibility!

You have a proud and independent disposition, and it seems possible—indeed you hope it is altogether probable—that your daughter will inherit this characteristic. Very good. Are you planning, while she is still a baby, to protect her independence in future years?

Independence a Matter of Degree

Independence to a great extent is a matter of comparatives. The woman who hasn't a cent in her own name views the woman with a monthly income of $25 in admiring envy. If it comes to a case of sheer necessity, a monthly income of $25 for life would be a Godsend to a woman without other resources. So short is the span between penury and a modest independence.

The familiar meaning of "dowry" is that applied to the marriage portion of a bride; an *endowment* given by her parents, in money or household goods, as she fares forth to her new home. It is a custom which has obtained in the European countries for many generations—to dower the bride. The meaning is also defined in the dictionary simply as "endowment." Why should not the unmarried girl, the single woman, be blessed with a dowry as well as the bride? The American father is apt to feel that when his daughter marries her maintenance should be derived from her husband's income. So it should, her *maintenance.* But if you would really like to know how the average married woman would view an independent income of her own—to spend, save, or give away at her own sweet will—just ask your wife casually if she has ever wished for a small income, *not* an allowance or a gift, *in her own name.* The spontaneity of her affirmative reply may give you food for thought.

Why not plan to give your daughter an independent life income on her twenty-first birthday? To have and to hold, from that day forth as long as she lives?

If she marries, and her husband proves to be either rich or poor, generous or penurious, this endowed income will give her an added pleasure and independence.

If she remains single, perhaps unfitted in youth, or in later years, to earn her living, she will have some modest resources of her own through this independent income.

If her parents die and there is a consequent breaking up of her home, she may have to live with relatives. We are all too familiar with the elderly maiden sister or aunt, totally dependent upon the relatives with whom she makes her home. Perhaps she would hold her head high as in her youthful days, square her shoulders again, and advance an opinion without an apologetic cough if she had a small independent income.

You can give your daughter a "dowry," and build up the fund in her childhood that will furnish a life income commencing on her twenty-first birthday, or at your prior death.

It can be done by means of an Endowment Policy taken on your own life.

How to Do It

A 20-Year Endowment in the sum of $10,000 on the life of a young man now 30 years old would require an annual premium of, roughly, $400 for twenty years (non-participating plan). It would furnish a life income at maturity or by prior claim through death of the insured, of approximately $40 a month. If the little daughter, beneficiary under this policy is now a year old or younger, the policy would mature in time to yield the monthly income when she is twenty-one. If the father died at any time after paying the first premium on the policy, the income to the daughter would commence immediately, payable through the custody of her guardian if she were a minor when claim was made.

It is suggested that this Endowment be taken on the parent's life for the benefit of the daughter, rather than in the form of a Child's Endowment, because the purpose of a guaranteed income for life is thus more adequately planned. If a *Child's Endowment* were taken, and the father were to die prematurely there might be no means provided for paying premiums on the policy until its maturity. By placing the Endowment Policy on the father's life, with the daughter named as beneficiary, the definite purpose of providing her with a life income is met whether he lives to the maturity of the Endowment, or dies before the twenty-year premium paying period expires. Moreover, the Child's Endowment carries no cash, loan, or surrender values, and in event of the death of the child before the maturity of the policy, there is no return, except under such contracts as provide for the return of pre-

miums, and necessarily requiring a higher premium.

As the proceeds of an Endowment *at maturity* are payable *to the insured,* the definite gift of the annuity income to the daughter (if the insured is living at the maturity date) can be accomplished at that time by making the proceeds of the policy payable to the daughter. In doing this it should be definitely provided that the amount of the policy is to be paid to the beneficiary *as an income for life* and that such payments are not to be commuted and paid in a lump sum during her lifetime.

In stipulating that the proceeds of the policy be paid as an annuity for life, the contract may properly provide that the income will be paid for a fixed period of twenty years, and for so many years thereafter as the beneficiary may survive. Thus, if the daughter were to receive monthly income payments for but ten years and were then to die, the value of the remaining ten years' income during the "fixed period of twenty years" would be paid in a lump sum to her estate. The income to the daughter, however, would be paid as long as she lives—be it thirty, fifty, or a longer period of years.

The provision of the life income can be still further safeguarded by the inclusion of the Disability Benefit in the Endowment Policy on the father's life. If the insured were to become totally and permanently incapacitated during the premium paying period, all further payments by him would be waived, and he would receive in addition an annuity of one-tenth of the face value of the policy (in the case of a $10,000 policy, $100 a month) during the remainder of the premium-paying period until the maturity date. At the end of the twenty years, the full face amount of $10,000, payable as an income to the daughter, would still be provided. The extra premium necessary for the inclusion of the Disability Benefit, with waiver of premiums and monthly income in event of total disability, is small.

At ages between 25 and 35 of the insured, it averages about $1 per $1,000 of insurance in extra premium. This is full and complete protection!

(Please turn to page 945)

The Power of B. & L. Savings

A Unique Plan for Building Up a Competency in 23 Years

By "H. E. R."

I HAVE never written an article for publication before, and am not now endeavoring to break into print, but having been a reader and subscriber to THE MAGAZINE OF WALL STREET, I thought I would submit a plan which I myself am working out. I have found my plan to be safe and satisfactory, and trust it may be an incentive to others to save and accumulate and lay a foundation for their Future Income.

THE MAGAZINE OF WALL STREET has quite often referred to the well-selected Building & Loan Association as a safe and sound means of investment and has given its readers figures on the amount of money invested in Building & Loan Associations throughout our country, an amount which is stupendous. Surely there must be some merit to the Building & Loan Associations, or many people in so many different places in so large an area would not adhere to them as means of saving.

How B. & L. Works

The matured value of a share of the usual Building & Loan Association is $200, same being made up of $1.00 monthly payments each month, until such payments, together with the interest yearly earned and compounded, will amount to $200; which usually requires from 11½ to 12 years, depending, of course, on the earning of the money of the Building & Loan Association, we will say 12 years. Therefore, $1.00 per month regularly paid will, in about 12 years, amount to $200. A small penalty is generally added for the non-payment of dues on time, so that the habit of saving and prompt payments grows, and saving becomes a pleasure, and not a burden. We learn to do by doing, and we learn to save by saving.

Realizing the power of compound interest and systematically adding to the principal, I have started a plan as follows:

If $1.00 per month or the cost of 1 share regularly invested in a Building & Loan Association for about 12 years will amount to $200, then $5.00 in payments of 5 shares per month will amount to in about 12 years an even $1,000. And 10 shares of $10.00 per month for the same time would amount to $2,000. Therefore, working on a basis of $10.00 per month for 10 shares, we find that if you increase your holdings each succeeding year by 10 more shares, in addition to what you had the year before, you will find that your payments run as follows:

1st	year	$10.00	per	month
2nd	"	20.00	"	"
3rd	"	30.00	"	"
4th	"	40.00	"	"
5th	"	50.00	"	"
6th	"	60.00	"	"
7th	"	70.00	"	"
8th	"	80.00	"	"
9th	"	90.00	"	"
10th	"	100.00	"	"
11th	"	110.00	"	"
12th	"	120.00	"	"

At the end of the 12th year your first series of $10.00 per month will have matured at a value of $2,000, and there will be no need for any further payments in this series. It naturally then follows that each year your payments will be $10.00 per month less than they were the year before, because each year beginning with the 12th year and for 12 years you will

$2,000 Each Year for 12 Years at 6%

$2,000	compounded @ 6%	11 years amounts to.............	$3,796
2,000	compounded @ 6%	10 years amounts to.............	3,582
2,000	compounded @ 6%	9 years amounts to.............	3,378
2,000	compounded @ 6%	8 years amounts to.............	3,188
2,000	compounded @ 6%	7 years amounts to.............	3,008
2,000	compounded @ 6%	6 years amounts to.............	2,838
2,000	compounded @ 6%	5 years amounts to.............	2,676
2,000	compounded @ 6%	4 years amounts to.............	2,524
2,000	compounded @ 6%	3 years amounts to.............	2,382
2,000	compounded @ 6%	2 years amounts to.............	2,248
2,000	compounded @ 6%	1 year amounts to.............	2,120
2,000	Just received	....	2,000
Total		....	$33,740

BYFI'S
Recommendations Table
(For Small Investors)

$100 Bonds		Recent Price	Yield to Maturity
St. L. & S. F. R. R. prior lien 4s, '50		77	5.75
Laclede Gas 5½, '53		100	5.50
U. S. Rubber 5s, '47		89	5.85
Preferred Stocks	**Per Share Dividend Rate**	**Recent Price**	**Yield**
Cluett Peabody	7	106	6.60
American and Foreign Power	7	90⅞	7.7
American Smelting	7	112	6.30
Radio Corp.	3½	50	7.00
Schulte Retail Stores	8	114	7.0
Common Stocks	**Per Share Dividend Rate**	**Recent Price**	**Yield**
American Tel. & Tel.	$9	140	6.40

have one series mature with a value of $2,000. The payments needed after the 12th year would run as follows:

13th	year	$110.00	per month
14th	"	100.00	" "
15th	"	90.00	" "
16th	"	80.00	" "
17th	"	70.00	" "
18th	"	60.00	" "
19th	"	50.00	" "
20th	"	40.00	" "
21st	"	30.00	" "
22nd	"	20.00	" "
23rd	"	10.00	" "

And then your shares will have all matured.

There are now no more payments to be made. It also follows that beginning as stated before, we have at the 12th year an amount of $2,000 maturing for each succeeding year for 12 years so that our values would be thus:

End of 12th year	$2,000.00
" " 13th "	4,000.00
" " 14th "	6,000.00
" " 15th "	8,000.00
" " 16th "	10,000.00
" " 17th "	12,000.00
" " 18th "	14,000.00
" " 19th "	16,000.00
" " 20th "	18,000.00
" " 21st "	20,000.00
" " 22nd "	22,000.00
" " 23rd "	24,000.00

You will note that you have now had the use of $2,000 for about 11 years, $2,000 more for about 10 years, $2,000 more for about 9 years, $2,000 more for about 8 years and so on down the line. If this $2,000 each year was invested in securities yielding say 6% for safety sake and allowed to accumulate, there could be realized something as per the accompanying table.

Thus you have the possibilities in 23 years of $33,740, which if invested at 6% will return better than $2,000 per year.

If you object to the increase toward the 9th, 10th, 11th or 12th year being too heavy, save something during the years when the payments per month are not so heavy. This plan will work out on a 5 share basis or a 1 share basis just the same as on a 10 share basis as used in the present plan.

According to the above plan invest 10 shares with 1 Building & Loan Association this year, and then take 10 shares with another Building & Loan Association next year, and so the next for the 12 years. Thus you will diversify your commitments and not place all the eggs in one basket. This will require about 12 different Building & Loan Associations. However, if you wish to be still more conservative invest on the $5.00 per month or 5 shares with any one Building & Loan Association. This will, of course, under the 10 share plan per month require 24 books for the whole 12 series, and limit your liability at the greatest time to $1,000, whereas if you had 10 shares or $10.00 per month invested with any one Building & Loan Association, the greatest liability at one one time would be $2,000.

Advantages of B. & L.

Building & Loan shares always have a withdrawal value equal to what has been paid in plus an allowance for interest, so there could be no risk in this respect.

Building and Loan Associations lend money against shares as collateral, so if money is needed, you can borrow usually 80 to 90% of the amount paid in on your shares, and by keeping up the payments, together with the interest on the loan, it will in no wise interfere with the maturity of the shares. The loan can be repaid at any time.

Building and Loan Associations also lend money on real estate and the monthly payment usually is an amount that pays the interest on the loan together with a certain amount of the principal, so that the indebtedness is reduced each month and the equity of the Building and Loan Association becomes greater month by month. These monthly payments on account of principal together with monthly dues paid by members keep the funds liquid for reinvesting.

Saving is made compulsory, as it were, in order to avoid being fined, so that many times saving is done, when otherwise it would not be.

The risk of the small monthly payments in a Building and Loan Association is reduced to a minimum. Likewise the chance for losing on the interest is reduced to a minimum as the Building and Loan Association keeps on compounding for a period of years, a condition hard to attain otherwise in a different form of investment.

Building and Loan Associations are as a rule under the jurisdiction of the banking department of the State, and are audited and inspected by their auditors, besides most Building and Loan Associations have a special audit of their own made either by public accountants or other men trained or familiar with Building & Loan accounts.

The cost of conducting Building and Loan Associations are as a rule very small compared with other enterprises, as a rule only the treasurer and secretary receive a salary, and this is a nominal one. The rents generally are small so that the overhead is light.

There is hardly any community of any size that does not have one or more

(*Please turn to page* 934)

An Opportunity to Win a Prize

of

One Hundred Dollars

See Page 889

Mr. Working Man Tells Why

A Reader of B. Y. F. I. Explains the Typical Worker's Failure to Invest

By JAMES W. MAXWELL

IN a recent issue of BYFI, a reader of THE MAGAZINE—himself a wage-earner—had occasion to remark:—

"The puzzle to me is the apparent indifference of my fellow-workers to their financial welfare in the future."

Another reader of BYFI—also a wage-earner—has clipped the above lines from BYFI's columns and attached the clipping to a letter which reads, verbatim, as follows:—

"Referring to attached in your article by Mr. Bartlett in your issue of August 1st:—

"As a working man, I feel I must write in defense of myself.

"From constant mingling with the working man, amongst those who would like to invest and are trying to save, the reason one does not invest sums up to:—

"(1) Ignorance through lack of education (financial) not always *general* education;

"(2) He is not qualified (or in other words, financially educated) to *combat* forces prevalent in the financial world;

"(3) Financially handicapped.

"But the greatest factor is item No. 1, which amounts to No. 2.

"The majority of tradesmen would (if properly trained) invest a little regularly.

"Recently, in my course of duty at work, I have seen here and there a copy of your magazine (this incited me to purchase one also), which goes to prove that the spirit is there—but undeveloped. The majority of us are floundering around like a flock of sheep.

"You ask: Why get THE MAGAZINE, then? For the simple reason that it is regarded as a light in sheer darkness—that is, we wish to invest our little, with an eye to the future, but we don't know how.

"I, amongst others, cannot interpret the stock quotations intelligently.

"You will be amused when I try to tell you one or two of the simple arguments that stand between the working man and his future. Take BYFI's recommendations, for instance:—

"Laclede Gas 5½s '53, yield, 5.35

"What does the 's' mean after 5½? Is it '5½ *shares*,' or what?

"Again:

"*'Schulte Ret. St.'*

"What is *'Ret.'* and *'St.'?*

"*'Dividend* 8; *yield* 7.10:—

"If paying 8, why give 7.10 besides? That is the dividend, isn't it?

What happiness might he not store up for a family dependent on him if Sound Investing were a subject he understood!

"And thousands of other things, too numerous to mention and that to you would doubtless seem as absurd as the aforementioned.

"Yet, brother, that is the answer to Mr. Bartlett's query.

"If the working man had the training and the encouragement derived from your magazine, I have not the least doubt but that it would produce results, with possibly a little aid from your inquiry service, through being a subscriber.

"Is there such a book printed that would train me? (Now I am speaking for myself.)

"I have about $800 savings that I would like to invest, and there's more where it came from, but, how to invest, where to invest, when, why, etc., etc. If I invested, I could probably increase my saving from $500 to $1,500 by the year's end, but I have no incentive.

"I am deadlocked.

"*There* is the answer.

"Perplexed."

BYFI, recipient of hundreds of letters, from men and women in all stations of life, offers the above letter as, perhaps, the most revealing and, very nearly, the most saddening it has ever received.

Here is a man capable of saving as much as $1,500 a year. He is one of millions. With only ninety-nine of his comrades counted, the potential saving-power of a small fraction of the group he represents amounts to $150,000 annually.

But this man—and, so he says, others of his ilk—does not save and invest his potential $1,500. Instead, he saves only about half of it. The rest, presumably, is squandered.

Why? Simply because he, and thousands, tens of thousands, millions of others like him, whose potential savings must run into many millions of dollars, has not had, does not now have, and has no prospect of every having a knowledge even of the rudiments of finance.

And yet there are those who turn up their noses at BYFI's campaign on behalf of financial education—those who hold that we devote too much space to subjects of this "academic" character!

BYFI goes out of its way to answer the questions which Mr. "Perplexed" has raised here:—

The "*s*" after "5½," Mr. Perplexed, is simply a part of a Wall Street expression, intended to convey the interest rate on a given *bond*. For the Laclede Gas issue, as recommended, is a *bond*, not a stock. The interest rate on these particularly bonds is 5½%, annually; and rather than go to all the trouble, whenever we refer to them, of saying "*These bonds pay at the rate of 5½% interest yearly,*" we simply content ourselves with calling them "five-and-a-halves" or, as abbreviated, "5½s."

In the recommendation, "*Schulte Ret. St.*" the "*Ret.*" and "*St.*" stands for words "*Retail*" and "*Stores,*" which form part of the corporate title of the company referred to. In other words, the recommendation was of "*Schulte Retail Stores*"—one of the largest chain of retail tobacco stores in the United States.

The notes "*Dividend* 8; *Yield* 7.10" do not, by any means, puzzle you alone, Mr. Perplexed. Although we have explained the difference between the "*dividend*" paid by a stock and the "*yield*" derived from that same stock many times in the past, we dare say a few of our readers have still to learn the essential difference between the two terms.

Briefly, the "*dividend*" a given stock pays is the number of dollars the corporation distributes per share of stock outstanding. Thus, if a corporation distributes $250,000 over 50,000 shares of stock, its "*dividend rate*" will be $5 per share or, where the par value is $100, 5%. But the investor who buys that stock at $120 per share will not get a *yield* of 5%. Instead, he will get a yield of about 4:16% for his $5 per share is only about 4.16% of $120, the price he paid for his holdings.

"Dividend rate," in other words, is the disbursement per share *in terms of a corporation's capital stock;* "yield," on the other hand, is *the relation that disbursement bears to the price at which a given investor buys the stock.*

It is in order that potential investors like yourself, Mr. Perplexed, may not be misled into buying a stock which is selling too high, that BYFI, and others, always point out the yield which a given stock offers at a given price. For, in the last analysis, it is the "yield" a stock offers, and not (in itself) the dividend rate which makes that stock attractive, or the reverse.

> ***"The majority of tradesmen would, if properly trained, invest a little, regularly."***

BYFI has styled the letter from "Perplexed" one of the most saddening we have ever received. We mean just that. It is nothing short of saddening to realize that men, like "Perplexed," who might have taken their places long since among the constructive investors of this country have been deterred from doing so through inadequate education.

The feeling of regret, perhaps, a little heavier when you consider BYFI's efforts to reach just such people as these—its repeatedly expressed willingness to answer—within its power—any question they may ask.

Under the circumstances, about the best compensation BYFI can have is the hope that the publication, verbatim, of the letter from Mr. Perplexed may drive home to others *the essential justification which exists for the campaign on behalf of financial education which this department of* THE MAGAZINE OF WALL STREET *has, for so long a time, been waging.*

Millions, perhaps billions of dollars, that would otherwise be available for the constructive support of legitimate industry, are slipping away, year by year. Ethics aside, isn't that incentive enough?

It should not be a difficult thing to teach the working masses of this country that the field of investment is not a difficult one to study, at least in its elementary phases. The savings banks and insurance companies have already done wonders in educating the inexperienced worker to the necessity of a savings program. If he can learn as he has, not only that it is necessary to save but that there are systems of savings in the form of savings bank deposits or insurance, it is one step forward to teach him how easy it is —and safe—to invest in securities.

For a start, let the working man confine himself strictly to high-grade bonds and high-grade preferred stocks. Since he is presumed not to have any knowledge of these types of investments, let him talk to someone in his savings bank who is delegated with the job of giving information to depositors. Nowadays, the modern savings banks have regular departments which teach their depositors the rudiments of finance. Let him also apply to the BYFI department, whose job it is to make finance and investing simple. Reputable investment houses will also gladly help. But the important thing for the working man to recognize is that there are plenty of agencies not only ready but willing to help him in the problem of how to save his money to his best advantage.

American working people are intelligent and learn easily. Certainly, if the French peasant has learned to invest in bonds, we may expect Americans to be able to do at least as much. If it is clearly brought home to the working man that he is losing opportunities to increase his income by withholding his funds from the investment field, it may be presumed that self-interest alone will urge him to better equip himself in the race of life. A nation of working men who invest and know how to invest is insurance enough of business prosperity indefinitely for this country. Working men should be encouraged to invest.

Most of these men are wage-earners

Possibly some small fraction of them know how to invest money wisely—and soundly. The rest will be dependent upon pensions in their old age—if they be fortunate enough to become eligible for pensions; otherwise they will be a burden to somebody else

Petroleum

Tide Water Oil Co.

One of the Strongest Oils

Tide Water's Recovery—Recent Developments of Favorable Import to Shareholders

TIDE WATER is a venerable oil, tracing its history back to the old days when the Standard Oil Trust held sway over the petroleum industry. It was, in fact, affiliated and still remains identified with the Standard Oil group inasmuch as Standard Oil of New Jersey holds slightly better than 40% of the common stock.

Tide Water Oil is a holding and operating company, which, in the course of years has acquired numerous subsidiaries and carved for itself a secure place in the oil industry. Some of the predecessor units were no longer young when Tide Water was organized in 1888 and gathered them under the single entity.

New Acquisitions

The company has developed and progressed with its industry. Among the more important acquisitions of comparatively recent times was that of the former Guffey-Gillespie Oil Co., purchased in 1921. The latter, upon absorption, became the Tidal Osage Oil Co. It is solely a producer, operating in the Mid-Continent.

Tidal Osage, in its turn, owns 97% of the capital stock of the Magna Oil & Refining Co., whose title is misleading, since Magna is also a producer only. In addition to this concern, however, Tidal Osage gave Tide Water a foothold in the South American fields through a 22½% interest in the Colombian Syndicate. Incidentally, this is the same Colombian Syndicate in which Atlantic Gulf and West Indies holds an interest. Tide Water, through its subsidiary, controls lands comprising one million acres in Colombia which are said to be excellently located.

The company's policy of expansion, in 1920, led it into Mexico, a venture that, unhappily, marred an otherwise brilliant record of achievement. The coincidence of failure in Mexico and collapse in the oil industry in general during 1921, resulted in a considerable check to progress for a time.

Tidemex Co., the Mexican subsidiary, started operation in 1920 securing a number of productive wells in the once famous Amatlan district. By September, 1921, it was left with no output by virtue of the salt water invasion. Tide Water's investment in Mexico had to be abandoned and its subsidiary liquidated. A loss running upwards of 5 million dollars was written off before this unfortunate chapter could be closed, to say nothing of 3.6 millions charged-off against depreciation on the tankers that had been purchased to carry the Mexican crude oil to Tide Water's refinery at Bayonne, N. J.

To compensate for the loss of its Mexican production, the company acquired additional properties in the Mid-Continent fields. It is now the possessor of more than 4,800 producing wells having a daily output of approximately 11,000 barrels. Acreage owned and leased through the subsidiary companies was in excess of 86,000 at the end of 1924, covering the states of Pennsylvania, Oklahoma, Illinois, Ohio and West Virginia, exclusive of the holdings of Tidal Osage.

Connection between the refinery at Bayonne and these producing properties is had through 833 miles of pipe line of another subsidiary. This line is linked with that of the Illinois Pipe Line Co. and through the latter with the Prairie Pipe Line.

Tide Water's Products

As a producer, refiner and distributor Tide Water is one of the largest factors in the making of gasoline. Its importance and position in the industry has steadily increased in recent years. Kerosene, gas and fuel oils, lubricants and other related products comprise the company's output. Its principal trade names, "Tydol" and "Veedol," have gained great prominence as popular brands of gasoline and lubricating oils by virtue of extensive advertising.

The various products manufactured

Tide Water Oil's Seven-Year Record

	Property & Equipment	Working Capital	Gross Earnings	Net Income	†Earned	†Div.	†Price Range High	Low
	(In Millions of Dollars)				($ per share)			
1918	$28.88	$13.29	$40.64	$6.44	$5.04	$4.75	50	44
1919	32.92	17.66	46.83	8.91	6.79	4.00	69	51
1920	44.14	18.66	60.08	9.59	6.55	4.00	57	45
1921	56.77	12.07	46.26	d.2.03	def.	2.50	43	29
1922	58.51	17.32	52.43	4.92	2.48	...	38	27
1923	59.60	19.17	58.27	2.91	1.45	0.25	36	23
1924	61.08	20.52	66.26	3.90	1.95	1.00	38	29

Recent price 31.

†On basis of present capitalization. d.—Deficit.

by Tide Water are distributed in all parts of the United States and Canada. Export business constitutes an important phase of the companies activities which extend to South America and Europe.

In the last seven years, the company's investment in properties and equipment has been more than doubled, notwithstanding heavy deductions for depreciation. Thus, in 1918, such investment stood at 29.88 million dollars which compares with 61.08 millions at the close of 1924. This gain, of course, is significant chiefly as an index of the company's growth. That is to say, the asset value of its common stock has been rendered but little greater since the increase in capitalization has kept close pace. It is probable, however, that the balance sheet figures do not completely reveal the full value of the equities behind the company's securities.

The working capital position is strong. Current assets as of December 31, 1924, amounted to 24.49 million dollars against which were 5.89 millions of current liabilities. Of the 18.60 million dollars working capital, 16.19 millions represent inventories of crude and refined petroleum.

This does not depict the whole story of Tide Water's present financial status, however. Its position in this respect has been materially improved by the recent financing operations whereby 12 millions of 6½% debenture bonds were retired at 101¾ as of August 15, 1925. This retirement was accomplished through the creation of an issue of 25.22 million dollars of 5% cumulative convertible preferred stock.

In addition to the funds required to redeem its 6½% notes, therefore, Tide Water realized cash from the sale of this preferred stock which is intended for further development of its various producing and marketing facilities. It is probable also that a portion of this new money will be utilized to relieve the company of a contingent liability represented by its guarantee of 2.75 millions of 7% notes of the Tidal Osage Co. In other words, the possibilities are that this subsidiary obligation will be redeemed.

Conclusions

This new preferred stock, which may not be called until three years after date of issue, at 105, carries a valuable conversion privilege. The first 5 millions of the issue presented for conversion may be exchanged for common stock on the basis of one share of common for $37.50 of preferred stock. For each succeeding 5 million dollars of preferred presented, the conversion price increases $2.50 a share so that the final lot may be converted at the rate of one share of common for $45 of preferred. *While the common stock is now selling several points below the first conversion figure, it would appear that the preferred shares carry speculative attraction, due to this clause, in addition to their sound investment merit. At 101, these shares yield 4.9%.*

Although Tide Water sustained an (*Please turn to page* 940)

Oil Companies Made a Fine Start in First Half of Year But—

Slump in Second Half May Spoil Their Record

Oil Companies Which Earned More in First Six Months of 1925 Than in All of 1924

	Earnings 1924 (Full Year)	Earnings 1925 (6 mos.)
Associated Oil	$2.85	$2.85
Atlantic Refining	6.59	7.05
Calif. Petroleum	2.46	1.87
Indep. Oil & Gas	1.45	E 3.26
Louisiana Oil	0.60	*.055
Marland	0.22	4.48
Mid-Continent	0.69	*5.24
Phillips	3.81	*5.58
Pierce Petroleum	def.	0.19
Simms	2.81	2.64
Skelly	0.05	2.48
Tidewater	†1.95	†1.91
Transcontinental	def.	0.14
White Eagle	2.23	*3.70

E—Estimated. *—Before depletion and depreciation. †—New Stock.

DURING the first half of the year practically all the leading oil companies prospered. Prices for both crude and gasoline advanced steadily. The large inventories held over from last year by most companies appreciated considerably in value. It looked at that time that these companies in 1925 would enjoy the best earnings in five years. This view was fully substantiated, as it appeared, when the preliminary statements of earnings in the first half came to hand. As indicated in the accompanying table, a large number of companies not only did exceptionally well in the first half of the year but, actually, in many cases, turned in larger earnings than in all of 1924.

Since the turn of the half year, however, conditions have not been so good. The over-supply of crude oil and refined has practically broken the market and prices are now considerably lower than a few months ago. Obviously, earnings are affected but the question is to what extent? Actual business has not fallen off, as demand for crude and gasoline is of tremendous proportions. It is in the price situation that the weakest element is to be found. What is the outlook for prices? So far as can be seen, it is improbable that there will be an advance in time to raise earnings in the second half. Rather, with California competition via the Panama Canal affecting the Eastern gasoline market and likely to do so for a period, it is more probable that the price of gasoline, at least on the Eastern seaboard, will decline further. Mid-continent crude has just been reduced, a situation which is more or less typical of crude oil prices in the entire country.

It is expected, however, that a decline in crude oil production will be forced by the less attractive prices now obtainable. Naturally, this should result in stabilizing the situation though it may take some time. The gasoline situation is weak, as stated, but the end of the year should see the refiners not too heavily loaded up with stocks.

Earnings in the second half naturally will not be so good as in the first half. There is still a margin of profit, however, and the larger companies ought to be on the right side of the ledger. Added to this probable showing the excellent earnings of the first half, and it is likely that the full year's earnings for most of the well-managed companies should be considerably in excess of those of 1924, though they will not come near the expectations held out several months ago.

Oil shares which were weak a few weeks ago are showing slightly more stability but their market position as yet is unattractive. Developments of the next two or three months are not likely to be of stimulating effect on the shares so that there is no great inducement to buy them at the present time. Next year is so far off that a forecast would be unwarranted, especially in this mercurial industry. So far as individual stocks are concerned, however, it would not be stretching the point to assert that from a long-range investment viewpoint stocks such as Standard of New Jersey, Texas Co., Humble, Atlantic Refining, Phillips, Marland and Standard of Indiana are gradually approaching a price level where their prices will again be considered very attractive for those who buy and hold.

Mining

Cerro de Pasco's Brilliant Future

Smelter Smoke Troubles Near An End—Copper Production Can Be Greatly Increased—Has Vast Tonnage of 10% Silver Ores—Long Range Prospect for Stock

	Sales X	Total Income	Net Income	Earned per sh.	Divs. Paid	Year's Surplus
1917	$28,902,037	$19,202,989	$2,078,868	$2.98	5.75	D $1,930,603
1918	26,670,793	13,835,316	236,267	.27	5.00	D 4,157,086
1919	22,622,715	9,249,734	2,283,628	2.54	4.00	D 1,309,281
1920	20,506,184	6,926,019	618,434	.69	4.00	D 2,974,483
1921	23,122,298	6,327,162	D 2,691,702	..	.50	D 3,140,817
1922	22,695,303	8,777,117	273,101	.30	..	273,101
1923	27,973,592	12,387,790	2,699,865	2.73	3.00	D 271,821
1924	27,130,417	11,428,048	3,224,327	2.92	xx 4.00	D 1,189,281

X Income, other earnings and inventory as of Dec. 31st. D Deficit. XX Present rate.

CERRO DE PASCO is one of the most interesting mining properties in the world. It is unusual; it is rich; it has a historic background, extending into antiquity and it has a future seemingly as brilliant as its brilliant past.

Undoubtedly much of the gold which formed the ornaments worn by the Incas and the gold and silver with which their temples and idols were profusely adorned came from Cerro de Pasco. It was this gold and silver which turned Pizzaro and his supposedly Christian followers, into avaricious tigers who were willing to slay and did slay thousands of natives in order to sate their insane desire for plunder and treasure.

Among other features which stamp Cerro de Pasco as unusual are the facts that it is one of the lowest-cost copper producers in the world, its mines are situated high in the Andes, 14,000 feet above the sea level, and it is tapped by a railroad which climbs up to it over a distance of 200 miles.

Present Cerro de Pasco Corporation is a youngster, though descended from ancient lineage. It was incorporated in 1915 under the laws of New York as a holding company, with a perpetual charter. It acquired the stocks of the Cerro de Pasco Mining Company and the Morococha Mining Company, and having taken over their properties the two latter companies were dissolved.

In addition, the Cerro de Pasco Copper Corporation owns the stocks of the Cerro de Pasco Railway Company, a mining company by the name of Sociedad Minera y Johnston del Peru and a company dealing in general merchandise known as the Cerro de Pasco Mercantile Company. In addition, the corporation owns a block of stock of the American Metal Company.

The property is tapped by five shafts equipped with modern hoists, pumps and air supply. The old mining company also owned 108 coal mining claims comprising about 1865 acres. The two principal actively operating districts are about four miles apart and about 28 miles by rail from the smelter. About 750 men are employed in their operation. The smelting plant known as "La Fundicion" is situated at Tinyahuarca about nine miles from Cerro de Pasco. It is equipped with five blast furnaces, three reverberatories and other equipment.

The Cerro de Pasco Railway Company serves the company's mines, smelters and coal mines, the main line running from Oroya, the junction point of the Central Railway of Peru to Cerro de Pasco, a distance of 83 miles. Two branch lines, one 26 miles long and the other 11 miles in length, extend to two of the company's important coal mines. Including all lines the Cerro de Pasco Railway is about 135 miles long. It is standard guage, laid with 70 lb. rails and its equipment consists of 14 locomotives, 270 freight cars with the necessary compliment of construction, wrecking cars, etc. etc.

In 1919, the directors decided to build a new smelter at Oroya, the junction point of the Cerro de Pasco Railway with the Central Railway of Peru. It was built with a capacity of 2,500 tons daily at a cost of $9,000,000, and was completed and put into operation in 1922. It was this smelter, incidentally, which gave rise to the many disquieting rumors which have gone the rounds recently in regard to Cerro de Pasco. As is usual in such cases rumor outdid fact as will presently be shown.

Cerro de Pasco is a three-metal mine. Its copper production ranges between 50,000,000 and 100,000,000 lbs. In 1923 Cerro made a high mark of 92,176,000 lbs., but last year, owing to smoke troubles production dropped to 73,200,000 lbs. Silver production runs at the rate of about 14,000,000 ounces annually and the annual value of gold recovered is in the neighborhood of $1,000,000. Approximately 45% of the value of Cerro's metal production comes from its output of precious metals.

Owing to the fact that the company does not publish its production figures or production costs, both items have been the source of much speculation. The production figures in the tabulation accompanying this article are obtained from reliable sources and are approximately accurate. With its smelters in full operation, Cerro could turn out 144,000,000 lbs. of copper annually. Cost of copper production has been variously estimated from 4 to 9 cents a pound. The variation arises from the question as to whether all the precious metals or only the silver should be credited against the cost of production. It is generally accepted that Cerro's copper costs the company between 6 and 7 cents a pound to produce. This makes Cerro one of the lowest, if not actually the lowest-cost copper producer in the world.

Much capital and presumably some sizable market profits were made from Cerro's "smoke troubles" last year and early this year. What actually happened was this: In 1922, the company put into operation its new $9,000,000 smelter at Oroya. In the late Spring of last year when this plant was approaching its capacity of 11,000,000 lbs. monthly, local farmers claimed that damage was done by the fumes from the smelter. As a result, the Peruvian government limited the smelter's operations to one furnace, which cut down the plant's production to from 4,000,000 to 5,000,000 lbs. a

month. The company met the situation by starting in to purchase all the land for eighteen miles in the vicinity and also by setting about to install Cottrell separators. The separators rid the smelter fumes of noxious gases and at the same time recover gold and silver values from the flue dust. The Cottrell separators will cost about $500,000 and should be in successful operation this year. They are expected to increase Cerro's earnings to the extent of about $1,500,000 annually equal to about $1.30 per share on the outstanding stock.

From the earnings' tabulation which accompanies this article one would believe at first glance that Cerro has been paying out considerably larger dividends than it has earned. But that is merely a matter of bookkeeping—and tax considerations. As a matter of fact, Cerro earned upwards of $7 per share on its stock last year *before depreciation and depletion.* Cerro has been nothing if not liberal in its depreciation and depletion charges. In the last seven years such have totaled nearly $34,000,000. This has raised havoc with Cerro's profit and loss surplus, but stockholders may reassure themselves by the fact that Cerro carries its properties, including metal and coal mines and mining leases, plant, equipment, etc., at the nominal figure of $21,445,768. This valuation, for a company which last year sold upwards of $27,000,000 of metals and showed a total income before charges of nearly $11,500,000 is, to say the least, conservative. Outside of its copper properties Cerro has vast silver reserves. The Sociedad Minera y Johnston del Peru (Backus & Johnston) has developed silver ores of upwards of 20,000,000 tons and indications are that the property contains more than 100,000,000 tons. This silver has been known to exist for years, but no process to handle it commercially had been worked out. Cerro's engineers have developed a so-called "salt process" which, it is believed, will be successful. A pilot plant is under construction and should be in operation by the end of the current year. If it measures up to expectations, its operations will be enlarged. Cerro is in line to make many millions from its silver ores in addition to present operations.

Cerro de Pasco is in an exceptionally strong financial position, not only for a mining company but for any kind of a company. Last year its remaining bonds were retired leaving as its entire capital structure 1,122,842 shares of no par stock outstanding, of an authorized issue of 1,240,000 shares. Net working capital on December 31 last, totaled approximately $21,369,000 or about three times the working capital at the end of 1920. Cash on hand exceeded $8,657,000 and the company held $4,835,000 of U. S. government obligations.

Because of its low production costs, Cerro de Pasco can be counted upon to earn its present dividend in bad years as well as good. It is probable that the present year will show nothing notable in the way of earnings, not only because the price of copper has ranged low but also because of the operating difficulties with which Cerro has had to contend. In addition to smoke troubles, heavy rains, a most unusual phenomenon in Peru, did extensive damage to the lines of the Central of Peru, which is the link connecting Cerro's railway to the coast. This held up shipments about two months.

Paying $4 a share and selling at 53, Cerro de Pasco stock returns approximately 7½%. That is not a high return for a mining stock, but Cerro is not attended with the hazards which surround most mining propositions. While it is not feasible to block out the ore for more than a few years ahead, a study of the topography and mineralogy of the region warrants the conclusion that Cerro's main mines have many years of life left. In that respect it is like Anacónda Copper Company.

Notwithstanding interrupted operations during the first half of the current year, Cerro covered its dividend requirements after taxes and depreciation but before depletion. Production for the first six months was about 33,000,000 lbs. of copper, 7,000,000 ounces of silver, and 18,000 ounces of gold,—as compared with 45,000,000 lbs. copper, 7,000,000 ounces silver, and 27,000 ounces of gold in 1924.

July output was about 7,000,000 lbs. copper, 1,500,000 ounces silver, and 5,500 ounces of gold. If the improvement in the copper market is maintained, the Company will be able to earn its present $6 dividend this year with a comfortable margin to spare. It is not the policy of the management to press production on a low copper market.

The purchaser of Cerro de Pasco should take a long range position. There are three factors which will make for larger earnings. The first is an improvement in the copper market which is already under way. The second is a greatly increased output due to the installation and full operation of the new smelter equipped with the Cottrell separators. The third is the successful development and treatment of Cerro's great silver ore-bodies. Any one of the above mentioned factors should make Cerro's stock worth considerably more than its present price. The "book value" of approximately $40 per share which one may figure from the balance sheet, means nothing on account of the low valuations at which the company carries its properties. *As a long-pull mining specvestment Cerro de Pasco stands in a class by itself.*

Statistical Picture of Cerro de Pasco 1917-1924

(Final 000 omitted)

	1917	1918	1919	1920	1921	1922	1923	1924
Funded Debt	$4,542	none	none	none	$7,997	$7,122	$3,827	......
Capital stock a	5,000	$5,000	$5,000	$5,000	6,200	6,200	6,200	6,200
Surplus b	14,794	28,894	31,701	61.707	32,487	32.981	36,198	39,976
Total Assets	43,394	47,750	52,280	67.548	50.557	50,160	50,253	47,681
Net Working Capital	9,379	10,570	14,379	7,247	11,570	12,745	17,468	21,369
Cash	3.457	3,221	2,036	1.100	3.558	6,629d	8,899d	12,492d
Other Investments	6,037	6,408	6,684	7.867	1,233	1,239	1,246	1,304
Gross Income	19,202	13,835	9,249	6,926	6,327	8,777	12,387	11,428
Net Income	2,078	236	2,283	618	c2,691def.	273	2.699	3,224
Fixed Charges	534	58	none	none	635	595	373	49
Depreciation	4,791	5,558	2,806	2,781	4,120	3,295	4,000	4,842
Obsolescence	600	600	600	791	975	1,026	2,271	
Dividends	4,009	4,393	3,592	3.592	449	...	2,971	4,413
Copper Produced in lbs.	71,243	70,516	57,028	52.334	56,214	65,000f	92.176	73,200f
Silver in Ounces	5,556	5,051	5,325	5.959	Not Avail.	e	14,000f	14,000f
Copper Cost per lb. c	12.22	12	10	11	9	7.25	7.7	e
High for Stock	41	39	67½	61⅝	36½	46⅜	50½	56¾
Low for stock	21	29¼	31	24¼	23	32¼	36½	32½

a—no par value. Approximately $5 a share. b—includes depreciation carried as a liability. c—includes set off of $4,120. d—includes U. S. govt. obligations. e—not reported. f—approximate.

SERVICE SECTION

ANSWERS TO INQUIRIES

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We invite correspondence from readers desirous of ascertaining the status of brokers with whom they intend to do business. We make no charge for this service, as we recognize the importance of having our readers buy and sell their securities through reliable firms.

PHILLIPS PETROLEUM CORP.

As a stockholder in Phillips Petroleum I am naturally bothered at the way the stock sags away. I know the industry is not in very good shape from the distributing angle, but I thought that, as a producer with large low coast inventories, Phillips was in good position to carry through the retail price war.—M. L., New York City.

We see no reason for undue uneasiness on the part of Phillips Petroleum shareholders. The oils as a group have been sluggish in recent weeks reflecting an unexpected over-production of crude oil and gasoline, but the worst features of the situation as they affect this company appear discounted. Phillips is in good financial condition, and as inventories are carried at the December 31, 1924, price level, it is well situated to withstand such price cutting as might develop. We consider the shares to be well worth retaining.

UNITED STATES RUBBER CO.

Do you think any further improvement may be expected in U. S. Rubber shares this year? I have been holding them for the pull, both common and preferred, and feel that I might do well to take my profit on the common and put the preferred away for the future. Please give me your reasons for your recommendation.—B. H. M., Boston, Mass.

As a reflection of the improvement in the affairs of the company, United States Rubber shares advanced to a peak of 65½ in recent weeks. There has since been a decline of about twelve points. We are now inclined to take a constructive attitude. Rubber earned $4.02 on the common in the first half year against $2.04 in the same period of 1924. Working capital now stands around 106 millions, which compares with approximately 74 millions a year ago. Bank loans have been funded and cash alone totals about 9.5 million. With no slacking in demand for its casings and the rubber footwear season yet to come Rubber should make an excellent showing in the second half year. We regard the preferred as an attractive business man's investment and consider the common to have good long-range speculative possibilities.

MIDDLE STATES OIL CORP.

I am getting rather impatient waiting for Middle States Oil to get over its troubles or go out of business. I did not sell when you advised me. That was a mistake. But I have been willing to hold the shares as a gamble. Naturally a gamble that does not work out one way or another makes the player impatient.—M. T., Trenton, N. J.

With a daily production of only around 4,400 barrels, a top-heavy capitalization, and claims against it aggregating over 26 million, it is difficult to see where you have even a good gambler's chance in continuing to hold Middle States Oil. Earnings are at a low ebb. The receivers deserve credit for the progress made to date, but they are faced with a herculean and well nigh hopeless task in attempting to place this company back on its feet. A financial readjustment appears inevitable. The only advice we can offer is to protect the balance of your funds yet remaining.

KENNECOTT COPPER CORPORATION, AMERICAN SMELTING & REFINING COMPANY, MOTHERLODE, and RAY CONSOLIDATED COPPER CORPORATION

I have several copper stocks and would be obliged to know your opinion of the effect of the better tone for the copper market upon these several securities of mine:—Kennecott Copper, American Smelting, Motherlode and Ray Consolidated. Do you think I should hold all of these? I have 15 points on Kennecott, 20 on American Smelting, 5 on Ray Consolidated and no profit on Motherlode.—N. T. L., Philadelphia, Pa.

With copper metal just under the 15 cent mark and lead and silver prices comparing favorably with those of previous months, the outlook for American Smelting & Refining is conducive to some optimism. There is every expectation that the earnings of the second half year will surpass those of the first when approximately $7.50 per common share was reported. There is no serious bar to the company's progress. The Carson patent decision is no longer an adverse factor, the company having completed modifications of its reverberatory furnaces. Apparently the company is in a position to adopt a liberal attitude toward shareholders whenever it so elects. We consider it advisable to retain the shares. Kennecott is also making a good showing. In view of earnings to date it would appear that an increase in the dividend or an extra disbursement is something more than a mere possibility. We suggest you continue to hold the stock. Motherlode operates a compact and valuable property adjoining the Kennecott mines in Alaska. The company can produce the red metal as cheaply as 7.25 per lb. and therefore can hold its own when conditions in the industry are embarrassing for its competitors. In view of the improved metal outlook the shares have good speculative possibilities. Ray Consolidated does not appear in the attractive light of the foregoing. Its production costs are still around 11c a pound, and although indications are that its showing for 1925 will be an improvement

(Please turn to page 934)

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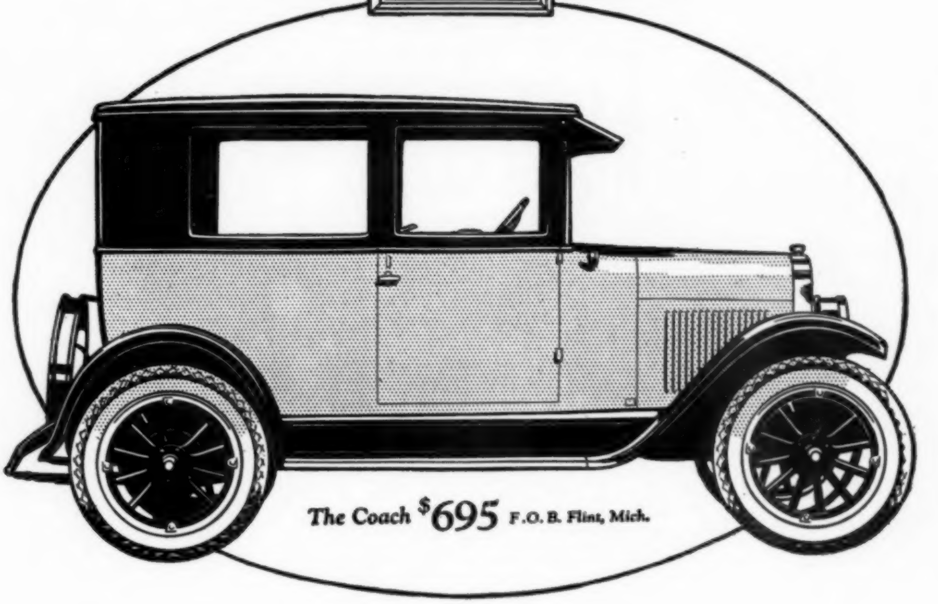

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CHEVROLET MOTOR COMPANY, DETROIT, MICH.
Division of General Motors Corporation

Quality At Low Cost

School for Traders & Investors

Sixty-Fourth Lesson

Don't Waste Time Wishing You Were In a Live Issue—Why Not Get In?

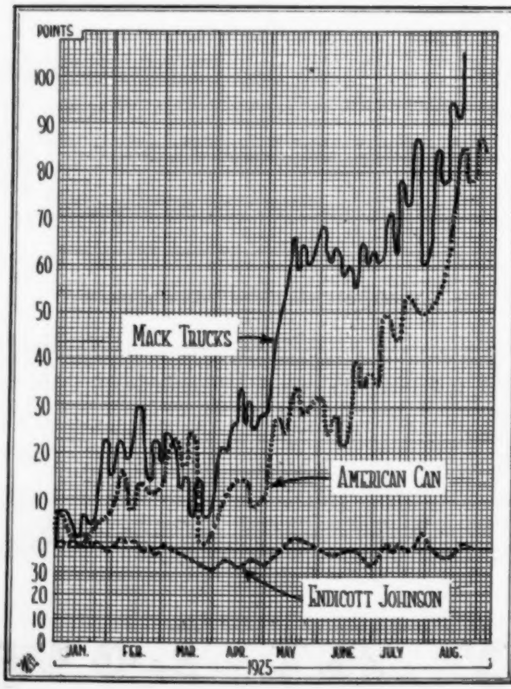
THE active trader finds it advantageous to classify stocks according to their price range during a given period of time, and for his speculative operations he favors those issues that have the most frequent and the widest price swings during relatively short time intervals. On the other hand, he avoids stocks whose chief characteristic is price stability or sluggishness. He knows that his most favorable opportunities for profit are to be found among the stocks that have a habit of moving several points within a month, or perhaps 30 to 50 points or more during the year. Experience teaches him to avoid the dormant issues wherein commitments may keep his funds tied up for several months at a time without offering him a chance to even recover his commissions and interest charges.

A Representative Group

A brief inspection of the high and low prices for the year, as they appear in the stock table in the daily newspaper, will enable the observer to pick out at random numerous representatives of both classes of stocks above mentioned. For example, among the stocks that have a wide price swing since the beginning of the year, he will find Nash Motors with a price range of 255 points, Mack Trucks which has advanced 121 points, Cast Iron Pipe with a swing of over 118 points, General Electric 110, American Can 90, Sears Roebuck 63, Woolworth 59, International Telephone 56, Savage Arms 55, Midland Steel Pfd. 51, Pierce Arrow, Pfd. 43, Worthington Pump 44, St. Louis & San Francisco 41, Baldwin 39, Remington 38, U. S. Realty 33, Montgomery Ward 32, and General Motors 30, all fairly active stocks. Many sound and active issues could be added to this list, all having a price range of from 20 to 30 points. Some of these stocks have made their most important swings within a month or two.

Observing the other extreme, suppose we point out some of the stocks that have been more conservative in their movements, and therefore generally disappointing to traders who failed to observe the apparent habits and characteristics of such issues, and the probable reasons therefor. Our list of sluggards might include Magma Copper, Electric Storage Battery and Childs Co., each with a price range of about 10 points since January 1, 1925. Others, arranged in the order of their indisposition to move, are: Associated Oil 9⅛ points, Studebaker 8¾, Timken 8½, Chile Copper 7⅛, Orpheum 7, Hupp 6¼, Nevada Copper 4⅝, and Tennessee Copper 4⅝, Booth Fisheries 2⅞, American La France 2¾, Transcontinental Oil 2, and General Electric Special ⅞. The last mentioned issue may be considered a sound and stable investment, but from a traders' viewpoint it is certainly one of the least attractive stocks in the entire list.

Nothing is more disappointing, disconcerting and disillusioning to the amateur trader than to discover that the issue wherein he has made a new commitment with all the enthusiasm of youth, has suddenly developed sleeping sickness and has lapsed into a comatose condition for an indefinite period. Many a trader who has a held a stock like Studebaker for a month or more without a price fluctuation that would assure overhead expenses, to say nothing of a profit commensurate with a speculative risk, has been heard to complain, "I wish I were in a live issue like General Electric or American Can or International Telephone." Our suggestion is, Don't waste time *wishing* you were in a live issue, but *get in*. You may have to take a small loss in disposing of the sluggish stock, but you are likely to make it up many times within the first few days after the change.



The "Time Stop"

This peculiar kind of mental inertia that holds a trader in a sluggish and disappointing stock, perhaps for months at a time, may usually be overcome by a device sometimes called the "time stop." For example, if your commitment does not show a profit after a given period of time, say ten days or a month, then close it out and go into something else that has more favorable trend. You will thus avoid being sewed up in dead issues and you will be more likely to take advantage of special technical situations that are under development.

A glance at the accompanying graphs of two active leaders and one sluggard will show that volume of trading, however important it may be as insurance of convertibility, is of minor consequence as compared to wide price-range characteristics. All of the issues charted are traded in satisfactory volume, but their relative fluctuating ability is what determines their popularity with the experienced trader. The point is simple. Any trader ought to be able to understand it.

AMERICANS SHOULD PRODUCE THEIR OWN RUBBER . . . H. S. Firestone

Equal to the Emergency

Firestone Full-Size, Gum-Dipped Balloons have proved by every test that they make driving safer under all conditions.

At Indianapolis, in the 500-mile Sweepstakes, Firestone Balloons broke the World's record for speed—101.13 miles per hour.

Again, at Culver City, California, they demonstrated their stamina in the 1000-mile Economy Run.

Firestone Balloons established the present records at both Mt. Wilson and Pike's Peak climbs.

A trip from Toledo to Montreal—760 miles—was made in 19 hours and 59 minutes on Firestone Full-Size Balloons.

Gum-Dipping, the special Firestone process of rubberizing and strengthening the cord fabric, has made the Full-Size Balloons the most satisfactory tires ever built.

Hundreds of thousands of users know by experience that they get extra comfort, safety and mileage from these tires.

Bring your car up to date with this latest and greatest development. Let the nearest Firestone Dealer equip your car—he will do it quickly and at low cost.

MOST MILES PER DOLLAR — FACTORIES: AKRON, OHIO, Hamilton, Ont.

The Mark of Quality

Firestone

FULL-SIZE GUM-DIPPED BALLOONS

Trade Tendencies

Business Approaching Fall Season in Cheerful Mood

Commercial Activities Above Seasonal Average—Numerous Irregularities in Manufacturing Lines

STEEL

Buying Quickens

THE feature of the steel market is the widening interest of consumers. While buying continues to spring largely from immediate needs, the aggregate volume of new business is increasing. The result is seen in an accumulation of orders on the books of the steel companies and in the more active rate of operations.

The leading interest is operating around 74% with the industry as a whole running slightly better than 70%. But while there appears to be a tendency toward accumulation of unfilled tonnage, the expansion in output has given consumers greater confidence in their own position. That is to say, the latter seem to feel that plenty of steel may be had as wanted and they have,

(*Please turn to page* 941)

COMMODITIES*

(See Footnote for Grades and Unit of Measure)

	1925 High	1925 Low	*Last
Steel (1)	$38.00	$35.00	$35.00
Pig Iron (2)	22.00	18.00	18.00
Copper (3)	0.15¼	0.13¼	0.14⅜
Petroleum (4)	3.80	3.00	3.15
Coal (5)	2.17	1.82	2.17
Cotton (6)	0.25⅝	0.22⅛	0.22⅝
Wheat (7)	2.16	1.48	1.66
Corn (8)	1.27	0.94	0.94
Hogs (9)	0.14¼	0.10⅛	0.13
Steers (10)	0.14	0.10⅝	0.13⅛
Coffee (11)	0.23⅞	0.17⅛	0.21⅛
Rubber (12)	1.20½	0.35	0.84
Wool (13)	0.70	0.48	0.53
Tobacco (14)	0.24	0.22	0.22
Sugar (15)	0.04⅞	0.04⅛	0.04⅜
Sugar (16)	0.07	0.05⅛	0.05½
Paper (17)	0.04	0.03⅝	0.03⅝

*Aug. 29.

(1) Open hearth billets, $ per ton; (2) Basic Valley, $ per ton; (3) Electrolytic, c. per pound; (4) Pennsylvania, $ per barrel; (5) Pittsburgh, mine run, $ per ton; (6) Spot, New York, c. per pound; (7) No. 2 red, Chicago, $ per bushel; (8) No. 3 Yellow, Chicago, $ per bushel; (9) Light, Chicago, c. per pound; (10) Top, Heavies, Chicago, c. per lb.; (11) Rio, No. 7, Spot, c. per lb.; (12) First Latex crepe, c. per lb.; (13) Ohio, Delaine, unwashed, c. per lb.; (14) Medium Burleigh, Kentucky, c. per lb.; (15) Raw Cubas 96° Full Duty, c. per lb.; (16) Refined, c. per lb.; (17) Newsprint per carload roll, c. per lb.

THE TREND IN MAJOR INDUSTRIES

STEEL—Improving demand for steel leads to further gain in operations. Pig iron market firm. Steel market unsettled with sporadic weakness.

METALS—Copper suffers moderate setback after touching 15-cent level. Market relatively quiet but metal remains in good position

OIL—Readjustment in oil industry continues. Price cuts general, due to excessive stocks and approaching season of lessening demand.

TEXTILES—Seasonal buying stirs demand for textiles but conditions are irregular and profit margins still far from satisfactory. Silks in best position.

LEATHER—No great change in leather industry but some underlying improvement noted. Broadening interest in hides in contrast with irregular demand for various grades of leather.

MOTORS—Price reductions sustain interest in new models. Production maintained at relatively high rate but competition more pronounced.

RUBBER—Crude rubber comparatively steady. Small gain in stocks. Tire manufacturers active in conformity with trend of conditions in automobile making centers.

SUGAR—Raw sugar continues to fluctuate in a narrow price range at levels unprofitable to producers. Refiners' stocks appear to be rather low, however.

BUILDING—Construction permits show some disposition to taper off but aggregate volume of building still large. Speculative excesses in certain localities are in evidence.

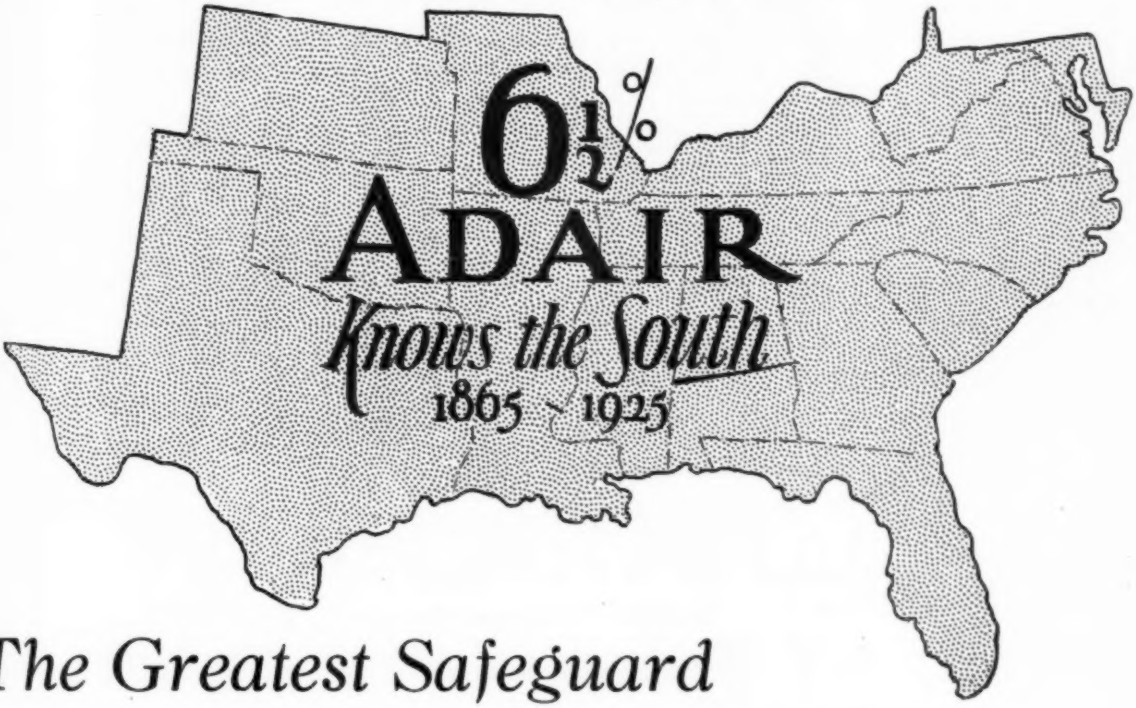
MACHINERY—Farm implement industry maintaining improvement with capacity operations in many quarters. Replacement demand heavy. Prospects favorable.

COAL—Strike on part of anthracite miners has, thus far, failed to stimulate prices. Consumers turning to substitutes.

SUMMARY—Although the situation is not without crosscurrents and contradictions, business on the whole is tending toward further improvement. Greater buying power in principal agricultural sections a factor of favorable import. Labor showing restiveness.

AMERICA'S OLDEST REAL ESTATE FIRM

Knowledge of Real Estate Values is the Greatest Essential — in Creating Safe Real Estate Bonds —



The Greatest Safeguard
can never be imitated

METHODS can be followed but knowledge gained from years of experience cannot be imitated.

Knowledge of real estate values and conditions based upon the scientific analysis of city growth and lines of development will always be the most important factor in safeguarding first mortgage bond issues.

This company was the first real estate firm to be established in the United States. It is the oldest mortgage investment house in the South. For over sixty years Adair First Mortgages have paid every dollar of principal and interest on the due date.

The cumulative knowledge of real estate values and conditions in Southern cities gained by this company through sixty years experience is the fundamental safeguard that protects investors in Adair First Mortgage Real Estate Bonds. Such knowledge can never be copied or imitated.

Mail the coupon today for current offerings of Adair Protected Bonds yielding up to 6½%.

Adair Realty & Trust Company
The South's Oldest Mortgage Investment House

Founded 1865 ATLANTA
Philadelphia, Packard Building
NEW YORK, Adair Realty & Mortgage Co., Inc.
Exclusive Distributors, 270 Madison Ave.
Ownership identical

Unconditionally Guaranteed

These bonds may be unconditionally guaranteed at the option of the investor by one of the strongest Surety Companies in America for a small annual premium.

Adair Realty & Trust Co.,
Dept. J-38, Healey Bldg., Atlanta

Gentlemen:—Please send me full information about your Surety Guarantee and current offerings of

ADAIR *PROTECTED First Mortgage* **BONDS**

Name .... *Address* ....

What 7% INTEREST Means to You

This rate on Smith Bonds is combined now with a record of *no loss to any investor in 52 years*

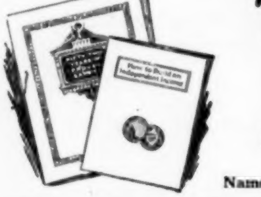
Fifty-two Years of Proven Safety Proven safety is the feature of Smith Bonds that appeals most strongly to conservative investors. And rightly so, for safety is the first essential of successful investing. But the rate of interest you receive—in other words, what you accomplish with the money you invest—also has an important bearing on the success of your investment.

Profitable as well as Safe In Smith Bonds, the proven safety of 52 years is combined now with the attractive interest rate of 7%, which adds impetus to the growth of your invested funds. Moreover, you have the privilege of using our Investment Savings Plan, which gives you the full rate of bond interest on every payment, and which enables you to **compound** your interest at the bond rate.

An Independent Monthly Income Money grows surprisingly fast when interest is compounded at 7%. If you invest $50 a month in 7% Smith Bonds, and reinvest your interest at the same rate, you will have saved, in 10 years, $8,657.10—enough to give you, at 7%, a monthly income of more than $50; that is, a monthly income greater than your monthly investment.

How $10 a Month Becomes $25,000 Here is another example of what 7% will do. If a man starts at the age of 25 to invest only **$10 a month** in 7% Smith Bonds, and reinvests the interest at the same rate, he will have, at the age of 65, more than $25,000. Yet he actually will pay only $4,800. All the rest will be compound interest.

First Mortgage Security 7% Smith Bonds are First Mortgage Bonds, strongly secured by improved, income-producing city property, and protected by time-tested safeguards. You may buy Smith Bonds outright, or under our Investment Savings Plan, in $100, $500 and $1,000 denominations. Maturities range from 2 to 15 years. Send your name and address today for our two booklets, telling the facts you will want to know about 7% Smith Bonds and explaining all details of our Investment Savings Plan.



THE F. H. SMITH CO.

Founded 1873

NEW YORK PHILADELPHIA **Smith Bldg., Washington, D.C.** PITTSBURGH MINNEAPOLIS

NO LOSS TO ANY INVESTOR IN 52 YEARS

Name .... Address ....

52R.

Important Changes in Capitalization of Leading Companies

Proposed Changes

(Continued from page 910)

METROPOLITAN EDISON CO. (Also see Pennsylvania Edison.)
Oct. 1—To retire: at $115, all Series "A," $7 Participating Pfd., shs. 74,314
Nov. 1—To redeem: at 105½, all rfndg. & imprvt. 8s, '35..$1,593,000

MISSOURI PACIFIC R. R. CO. (See New Orelans, Texas & Mexico.)

MORRIS & ESSEX R. R. CO. (Leased to Delaware, Lackawanna & Western R. R. Co.)
To issue: Construction mtg. g. bonds to D. L. & W., in reimbursement for capital expenditures on the Morris & Essex line..$11,582,006

MURRAY BODY CORP.
To pay: to Com. Holders a Div. of 1½% in Com. Stk. on each of the following dates: Oct. 1, 1925, and Jan. 2, 1926.

NEW ORLEANS, TEXAS & MEXICO RY. CO. (Subs. of MISSOURI PACIFIC R. R. CO.)
Plans to acquire control: of the SAN ANTONIO, UVALDE & GULF (318 Mis. long); and five other lines—the SUGARLAND; ASHERTON & GULF; RIO GRANDE CITY; ASPHALT BELT; and LIVE OAK PIPE LINE. Cost will be....$4,700,000

NORTH AMERICAN CO.
Oct. 1—To pay: to Com. Holders of record Sept. 5 a Div. of 2½% in Com. Stk. $85,781

PENNSYLVANIA EDISON CO. (Subs. of METROPOLITAN EDISON CO.)
Oct. 1—To retire: at $110, all $8 Cum. Pfd. ....shs. 19,777

PENNSYLVANIA R. R. CO. (THE).
Plans to purchase: remaining 18,222 shs. Cap. Stk. of the WESTERN ALLEGHENY R. R. CO. (extending 48 miles. from West Pittsburgh to Brady's Bend, Pa.) for cash..............$911,100

PIERCE-ARROW MOTOR CAR CO.
Oct. 1—To retire: at $100, all $8 cv. Prior Preference Stk., shs. 12,408

READING CO.
Until Dec. 31—Offers: to all classes of Stockholders of record Dec. 17, 1923, right to subscribe, at $4, to 1 sh. no par Cap. Stk. of PHILADELPHIA & READING COAL & IRON CORP. for each 2 shs. of Reading held..................shs. 1,400,000

SOUTHERN PACIFIC CO.
Plans to acquire: the NEVADA-CALIFORNIA-OREGON, which operates 154 miles of R. R. in the Northwest, through exchange of $750,000 of its own bonds for an equal principal amount of N-C-O Pfd. Stk. $750,000

ST. LOUIS-SAN FRANCISCO RY. CO.
Plans to acquire: through purchase for cash of its $2,500,000 Cap. Stk., the MUSCLE SHOALS, BIRMINGHAM & PENSACOLA R. R. (143 miles) $305,000
Plans to acquire: through purchase for cash, the JONESBORO, LAKE CITY & EASTERN RY. and ARKANSAS LINE (90 miles long) $5,700,000
Plans also to acquire: the following four roads: SPRINGFIELD CONNECTING RY.; FAYETTEVILLE & LITTLE ROCK R. R.; LITTLE ROCK & TEXAS RY.; and PITTSBURGH & COLUMBUS RY.
On and up to Oct. 1—Will redeem: at par, all Southwestern Division 1st mtg. 5s, '47....................$379,000

STANDARD GAS & ELECTRIC CO.
Until Sept. 23—Offers: to Com. Holders of record Aug. 24 right to subscribe, at $48, to 1 sh. new Com. for each 5 shs. held, shs. 126,721

SUBMARINE BOAT CORP.
To change name: to "TRANSMARINE CORPORATION."

UNITED CIGAR STORES CO. OF AMERICA.
Sept. 30—To pay: to Com. Holders of record Sept. 15 a 1¼% Div. in Com. Stk. $437,092

U. S. REALTY & IMPROVEMENT CO.
Nov. 1—Privilege of converting 7% Cum. Pfd. into Com., sh. for sh., expires. (Up to July 1, $7,234,900 Pfd. had been converted; leaving only $846,500 out.)

VIRGINIA-CAROLINA CHEMICAL CO.
Before Sept. 26—Holders of Bonds, Pfd. & Com. Stk., Bank & Trade Indebtedness, and General Claims must deposit same in order to participate in the REORGANIZATION PLAN adopted by the respective Protective Committees on Aug. 10.

VICKSBURG, SHREVEPORT & PACIFIC RY. CO. (See Illinois Central.)

WESTERN ELECTRIC CO., INC. (Subs. of American Tel. & Tel. Co.)
Sept. 15—To retire: at $110, all 7% Pfd. Stk. $24,679,600

WILSON & CO., INC.
To Oct. 1—Time extended: for filing written proof of claim.

YELLOW TRUCK AND COACH MANUFACTURING CO.
To pay: to Class "B" Holders a Div. of $25 in new 7% Pfd., $15,000,000

Securities Carried on Conservative Margin

Weekly Stock Letter

—pointing out economic conditions that may have a vital bearing upon the course of security prices.

Sent gratis on request for M. W 8

Out-of-Town Accounts

A special department of our organization is completely equipped to give a prompt and effective service to out-of-town clients.

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First Mortgage Real Estate Bonds

Your funds are safe in our first mortgage bonds; and they'll earn that generous interest so welcome to your income.

6½%

Normal Federal Income Tax Up to 2% Paid by Borrower

Federal Bond & Mortgage Company

Federal Bond & Mortgage Building in Detroit, Mich.

(1458)

Diversify Your Investments

Odd Lots enable you to diversify your holdings and increase margin of safety.

Our new booklet explains the many advantages offered by Odd Lot Trading.

Copy furnished on request

Ask for M. W. 247

Curb Securities Bought or Sold for Cash

John Muir & Co.

Members

New York Stock Exchange
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61 Broadway New York

We have just prepared a special bulletin outlining the present position and outlook for—

National Distillers Products Corporation

Common and Preferred Stocks

a copy of which will be sent upon request.

GOODBODY & CO.

Members New York and Philadelphia Stock Exchanges, and New York Curb Market

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NEW YORK

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1521 Walnut St., Philadelphia, Pa.

New York Stock Exchange

RAILS

	Pre-War Period 1909-1913 High	Pre-War Period 1909-1913 Low	War Period 1914-1918 High	War Period 1914-1918 Low	Post-War Period 1919-1924 High	Post-War Period 1919-1924 Low	1925 High	1925 Low	Last Sale Sept. 3	Div'd $ per Share
Atchison	125⅝	90¼	111⅛	75	120⅜	91⅜	127⅞	116¼	122	7
Do. Pfd.	106⅜	96	102⅝	75	96⅝	72	97⅜	92½	†95½	5
Atlantic Coast Line	148⅛	102½	126	79⅞	152¼	77	191	147¼	184¾	7
Baltimore & Ohio	122¼	90⅝	96	88¼	84⅞	27⅝	84¼	71	78¼	5
Do. Pfd.	96	77⅛	80	48¼	66½	38½	66½	62⅞	65¾	4
Bklyn-Man. Transit	..	..	..	..	41⅞	9⅛	55⅜	35⅛	54⅛	..
Do. Pfd.	..	..	..	..	75⅜	31⅝	82	72⅞	80	6
Canadian Pacific	283	165	220⅛	126	170⅞	101	152⅜	136½	140⅞	10
Chesapeake & Ohio	92	51⅛	71	35⅝	98¼	46	106⅞	89¼	104	4
Do. Pfd.	..	..	..	..	109⅛	96	112½	105¼	†111¼	6½
C. M. & St. Paul	165⅛	96⅜	107⅛	35	52⅜	10⅞	16⅜	16¼	8	..
Do. Pfd.	181	130⅛	143	62⅛	76	18¼	28½	7	15⅝	..
Chic. & Northwestern	198½	123	136⅞	85	105	45⅞	75⅜	47½	66	4
Chicago, R. I. & Pacific	..	..	45⅜	16	50	19⅛	54¼	40⅛	47½	..
Do. 7% Pfd.	..	..	94⅜	44	105	64	99¼	92	†95¼	7
Do. 6% Pfd.	..	..	80	35⅝	93⅜	54	89½	82	85¾	6
Delaware & Hudson	200	147⅛	159⅛	87	141½	83¼	155	133½	142½	9
Delaware, Lack. & W.	340	192½	242	160	260½	93	147¾	125	†135½	‡6
Erie	61⅛	33⅛	59⅛	18⅜	35⅜	7	34½	26¾	31¼	..
Do. 1st Pfd.	49⅜	26¼	54⅜	15⅛	49⅛	11⅛	46⅞	35	40¼	..
Do. 2nd Pfd.	89⅛	19⅛	45⅝	12⅛	46¼	7⅛	43	34¾	38	..
Great Northern Pfd.	157⅛	115⅛	134⅜	79⅛	100⅝	50⅝	76¼	60	72¼	5
Hudson & Manhattan	..	..	..	..	29¼	20⅝	38⅜	21⅜	35	2½
Illinois Central	162⅛	102⅜	115	85⅜	117⅞	80⅞	119⅝	111	115½	7
Interboro Rap. Transit	..	..	..	..	39¼	9⅛	34½	13½	26⅞	..
Kansas City Southern	50⅛	21⅜	35⅛	13⅛	41¾	13	41⅝	28⅝	37½	..
Do. Pfd.	75⅛	56	65⅛	40	59½	40	61¼	57	†60	4
Lehigh Valley	121⅛	62⅛	87⅛	50⅜	85	39⅛	83⅜	69	77⅛	3½
Louisville & Nashville	170	121	141⅞	108	155	84¾	120⅞	106	115	6
Mo. Kansas & Texas	*51⅛	*17⅛	*24	*3⅛	34⅜	*⅜	45¼	28¼	43⅛	..
Do. Pfd.	*78⅛	*46	*60	*6⅛	75⅜	*2	91⅜	74¾	87¾	5
Missouri Pacific	*77⅛	*21⅛	38⅛	19⅞	38⅞	8¼	41	30⅝	36	..
Do. Pfd.	..	..	64⅞	37⅛	74	22¼	88½	71	83¼	..
N. Y. Central	147⅞	90⅜	114¼	62⅛	119⅜	64⅛	124¾	113¼	119½	7
N. Y., Chi. & St. Louis	109⅜	90	90⅜	55	128	23⅜	137¼	118	128¼	6
N. Y., N. H. & Hartford	174⅜	65⅝	89	21½	40⅝	9⅝	39⅜	28	36⅝	..
N. Y., Ontario & W.	55⅜	25⅛	35	17	30½	14⅛	34¾	20⅝	29	1
Norfolk & Western	119¼	84¼	147⅛	92⅝	133¼	84¼	140⅞	123½	133½	7
Northern Pacific	159⅛	101⅜	118⅞	75	99⅞	47⅞	71⅜	58¼	68⅝	4
Pennsylvania	75⅝	53	61½	40¼	50	32¼	48⅞	42½	47⅛	3
Pere Marquette	*36⅛	*15	38⅛	9⅛	73	12⅛	74	61¾	68½	4
Pittsburgh & W. Va.	..	..	40⅝	17⅜	94	21⅛	77	63	72⅞	..
Reading	89⅝	59	115⅛	60⅛	108	51⅞	91¼	69¾	84⅜	4
Do. 1st Pfd.	46⅜	41⅛	46	34	61	32⅞	41	35⅞	†39	2
Do. 2nd Pfd.	58⅜	42	52	33⅜	65½	33⅛	44⅜	36¼	†40⅛	2
St. Louis-San Fran.	*74	*13	50⅛	21	65	10⅜	102¼	57½	101	7
St. Louis Southwestern	40⅜	18⅛	32⅛	11	55⅞	10⅞	63	43⅜	56	..
Seaboard Air Line	27⅛	13⅛	22⅜	7	24⅛	2⅛	48⅜	20⅜	43½	..
Do. Pfd.	56⅛	23⅛	58	15⅛	45⅛	3	51½	35	46	..
Southern Pacific	139⅛	83	110	75⅜	118⅛	67½	108⅜	97	97½	6
Southern Railway	34	18	36⅜	12⅛	79⅜	24⅜	107⅞	77⅝	104½	5
Do. Pfd.	86⅞	43	85¼	42	85	42	94	83	91⅜	5
Texas & Pacific	40⅛	10¼	29⅛	6⅛	70⅛	14	58⅜	43¼	52¼	..
Union Pacific	219	137⅜	164⅜	101¼	154⅜	110	153¼	133¼	139⅜	10
Do. Pfd.	118⅛	79⅜	86	69	80	61⅛	77¼	73¼	†74½	4
Wabash	*27⅞	*2	17⅛	7	24⅜	6	47⅛	19½	43	..
Do. Pfd. A	*61¾	*6⅛	60⅛	30⅞	60⅜	17	73½	55¾	70½	5
Do. Pfd. B	..	..	32⅞	18	42⅜	12¼	60½	38½	†58	..
Western Maryland	*56	*40	23	9¼	17¼	8	18⅜	11	16⅞	..
Do. 2nd Pfd.	*88¼	*53⅛	*58	20	30½	11	26¼	16	23⅜	..
Western Pacific	..	..	25⅛	11	40	13	33	19¾	29⅝	..
Do. Pfd.	..	..	64	35	86½	51⅛	77⅞	72	75½	..
Wheeling & Lake Erie	*12⅞	*2⅛	27⅜	8	18¼	6	22½	10¾	20	..
Do. Pfd.	..	..	50⅜	16⅜	32½	9¼	47⅜	22	43	..

INDUSTRIALS

	Pre-War Period 1909-1913 High	Pre-War Period 1909-1913 Low	War Period 1914-1918 High	War Period 1914-1918 Low	Post-War Period 1919-1924 High	Post-War Period 1919-1924 Low	1925 High	1925 Low	Last Sale Sept. 3	Div'd $ per Share
Adams Express	270	90	154⅛	42	93½	22	103¼	90	†91½	6
Ajax Rubber	..	..	89⅛	45⅛	113	4¼	15⅞	10	10½	..
Allied Chem. & Dye	..	..	..	..	91¾	34	104⅞	80	101½	4
Do. Pfd.	..	..	..	..	118⅝	83	120	117	120	7
Allis-Chalmers Mfg.	10	7⅝	49⅝	6	73⅝	26½	89½	71½	86	6
Do. Pfd.	43	40	92	32⅛	104⅞	67½	108	103¼	107½	7
Am. Agric. Chem.	63⅝	33⅛	106	47¾	113¾	7½	23¾	13½	21½	..
Do. Pfd.	105	90	103⅛	89⅛	103	18⅜	68¾	36½	63⅝	..
Am. Beet Sugar	77	19⅜	108½	19	103⅜	24⅛	43	34½	34¾	4
Am. Bosch Magneto	..	..	..	..	143⅞	22¼	54½	26½	30	..
Am. Can	47⅞	6⅞	68½	19¼	163½	21¾	248	158½	224⅞	‡5
Do. Pfd.	129¼	98	114½	80	119	72	121½	115	121	7
Am. Car & Foundry	76½	36½	98	40	201	153½	111½	97½	106	6
Do. Pfd.	124⅜	107½	119½	100	126½	105⅜	128	120¾	†126	7
Am. Express	300	94¾	140½	77½	175	76	166	125	†135	6
Am. Hide & Leather	10	3	22⅜	2⅛	43½	5	14	8½	10	..
Do. Pfd.	51⅞	15⅛	94⅞	10	142⅜	29⅜	75⅞	58½	60¼	..
Am. Ice	..	..	49	8⅞	122	37	124	83	119¼	7
Am. International	..	..	62⅝	12	132¼	17	41	32⅛	37½	..
Am. Linseed Pfd.	47⅜	20	92	24	113	4¼	81½	53	†78¼	3½
Am. Locomotive	74¾	19	98¼	46⅝	136⅜	58	144⅞	104½	116⅞	‡8
Do. Pfd.	122	75	109	98	122¼	[illegible]	124	115	†118¼	7
Am. Metal	..	..	..	..	55⅞	38⅜	54	45¾	50½	3
Am. Radiator	*500	*200	*445	*235	*345	64	113½	89⅞	†110	4
Am. Safety Razor	..	..	..	..	40⅝	*3⅛	68	36⅞	60½	3
Am. Ship & Commerce	..	..	..	..	47⅛	4⅜	14½	5⅝	6¼	..
Am. Smelt. & Ref.	105⅛	56⅝	123⅜	50¼	100⅜	29¼	112½	90⅜	107¾	6
Do. Pfd.	116⅜	98¼	118⅜	97	109⅝	68¼	112	105½	112¼	7
Am. Steel Foundries	74⅛	24⅛	95	44	50	18	40⅝	37⅝	39⅞	3
Do. Pfd.	..	..	..	..	100¼	78	112	108	†110	7
Am. Sugar Refining	136⅜	99⅞	126½	89¼	148⅜	36	71¼	47⅝	65⅝	..
Do. Pfd.	133½	110	123¼	106	119	67½	101½	91	†98	..
Am. Sumatra Tobacco	..	..	145¼	15	120½	6⅜	24½	6	†9¼	..
Do. Pfd.	..	..	103	75	105	22½	86½	28	†80	..
Am. Tel. & Tel.	153⅜	101	134½	90⅝	134¾	92½	144¼	130⅝	140½	9

Price Range of Active Stocks

INDUSTRIALS—*Continued*

	Pre-War Period 1909-1913 High	Pre-War Period 1909-1913 Low	War Period 1914-1918 High	War Period 1914-1918 Low	Post-War Period 1919-1924 High	Post-War Period 1919-1924 Low	1925 High	1925 Low	Last Sale Sept. 3	Div'd $ per Share
Am. Tobacco	*530	*200	*256	*123	*314½	82⅛	104	85	103¾	7
Do. Com. B	..	..	..	..	*210	81⅛	102¾	84½	102¾	7
Am. Water Wks. & Elec..	..	..	..	..	*144	*4	68½	34⅜	60	1.20
Am. Woolen	40⅝	15	60⅞	12	169⅜	51¼	64¾	34⅜	38⅝	..
Do. Pfd.	107⅝	74	102	72½	111⅞	88⅛	96½	69½	87⅜	7
Anaconda Copper	84⅝	27⅛	105⅝	24¼	77⅞	28⅛	48	35¼	41⅜	3
Associated Dry Goods	..	..	28	10	140⅛	48	55¾	46½	50¼	2½
Do. 1st Pfd.	..	..	75	50⅛	94	49⅞	100	94	†96	6
Do. 2nd Pfd.	..	..	49⅛	35	102⅝	88	108	101	†104½	7
Associated Oil	..	..	*78⅝	*52½	*142	24⅞	41½	32	35⅛	2
Atl. Gulf & W. Indies	13	5	147⅝	4⅛	192⅝	9⅛	59⅞	20	57¼	..
Do. Pfd.	33	10	74⅝	9⅞	76⅛	6⅛	55	31	54¼	..
Atlantic Refining	..	..	..	..	*1575	78⅛	117½	95½	†99	..
Austin Nichols	..	..	..	..	40⅝	8	32½	22	27	..
Do. Pfd.	..	..	..	..	91	50⅝	95	87⅜	†93	7
Baldwin Locomotive	60⅝	36⅛	154⅛	26⅝	156¼	62¼	146	107	119⅝	7
Do. Pfd.	107½	100¼	114	90	118	92	116⅝	107	110	7
Bethlehem Steel	*51⅝	*18⅝	155⅛	59⅝	112	37⅜	53½	37	40½	..
Do. 7% Pfd.	80	47	186	68	108	87	102½	93¼	96	7
Do. 8% Pfd.	..	..	110⅛	92⅛	116⅝	90	116½	109	†113	8
Brooklyn Edison Electric..	134	123	131	87	124⅝	82	140⅝	120⅜	136⅝	8
Brooklyn Union Gas	164⅛	118	138⅝	78	128	41	91⅝	75½	84⅝	4
Burns Brothers	45	41	161½	50	147	76	109½	92½	†103	10
Do. B	..	..	..	..	53	19⅝	30	17	26	2
Butte & Superior	..	..	105¼	12¼	37⅞	8	24¼	6½	10⅝	1
California Packing	..	..	50	30	106¼	48¼	132½	100½	119	6
California Petroleum	72⅛	16	42⅝	8	71⅞	15⅞	32⅞	23⅞	26	2
Central Leather	51⅛	16⅛	123	25⅞	116⅛	5⅞	21⅜	14⅜	18⅝	..
Do. Pfd.	111	80	117⅛	94⅞	114	28⅛	66	49¼	61½	..
Cerro de Pasco Copper	..	..	55	25	67⅛	23	55½	43⅛	51⅜	4
Chandler Motor	..	..	109⅞	56	141¼	26⅞	39⅝	27½	31	3
Chile Copper	..	..	39¼	11¼	38⅝	7⅛	37⅝	30½	33⅝	2½
Chino Copper	50⅝	6	74	31⅝	50⅞	14	28⅜	19	22	..
Chrysler Corp.	..	..	..	..	..	..	149½	108¼	137⅞	..
Do. Pfd.	..	..	..	..	..	..	109¼	100⅛	106⅛	8
Coca Cola	..	..	..	..	83⅝	18	146	80	138¼	7
Colorado Fuel & Iron	53	22⅛	66½	20⅛	56	20	48¼	32¼	38	..
Columbia Gas & Elec.	..	..	54⅛	14¼	114⅞	30¼	75¾	45¾	71⅜	2.00
Congoleum-Nairn	..	..	..	..	*184⅝	32⅝	43½	22	24¼	2
Consolidated Cigar	..	..	..	..	80	11⅝	44½	26½	41	..
Consolidated Gas	*165¾	*114½	*150⅛	*112⅛	*145¾	56⅝	92⅝	74½	87	5
Continental Can	..	..	*127	*37½	*131⅞	*34⅞	80	60½	72⅞	4
Corn Products Refining	26⅛	7⅝	50⅛	7	160⅛	31⅛	41⅝	32⅜	37⅛	2
Do. Pfd.	98½	61	113½	58⅛	123⅞	96	127	118⅛	†123	7
Crucible Steel	19⅞	6½	109⅞	12⅛	278½	48	79¾	64½	73½	4
Cuba Cane Sugar	..	..	76⅝	24⅞	59⅝	5⅝	14⅝	8½	9⅞	..
Do. Pfd.	..	..	100⅛	77⅛	87⅞	13⅛	62⅝	41	44	..
Cuban-American Sugar	*58	33	*273	*38	*605	10⅞	33½	22	24⅛	2
Cuyamel Fruit	..	..	..	..	74⅛	45⅛	59	50	51⅝	4
Davison Chemical	..	..	..	..	81⅛	20⅝	49⅜	27⅞	39⅛	..
Dupont de Nemours	..	..	..	..	169⅝	105	201½	134¼	152	‡8
Eastman Kodak	*No Sales		*605	*605	*690	70	118	104⅜	106	‡5
Electric Storage Battery	*64⅛	*42	*78	*42⅛	*153	37	70⅜	60⅜	63⅜	4
Endicott-Johnson	...	..	..	..	150	44	72	63⅜	67⅛	5
Do. Pfd.	..	..	..	..	119	84	116⅜	112½	115¼	7
Famous Players-Lasky	..	..	..	..	123	40	114¾	90¼	106⅜	8
Do. Pfd.	..	..	..	..	108⅛	66	120	103⅞	†116½	8
Fisher Body	..	..	43	25	240	75	87	60¼	81½	5
Fisk Rubber	..	..	..	..	55	5⅛	24⅜	10½	22	..
Do. 1st Pfd.	..	..	..	..	86	35⅛	109	75½	†106	7
Fleischmann Co.	..	..	..	..	90¼	37⅝	109⅜	75	107¼	4
Foundation Co.	..	..	..	..	94⅝	55⅛	140¼	89½	134¼	8
Freeport-Texas	..	..	70½	25⅝	64⅞	7½	18⅞	8	15½	..
General Asphalt	42⅞	15⅛	39⅝	14⅛	160	23	63¾	42½	52¼	..
General Cigar	..	..	..	..	98⅝	47	101¾	84	89	8
General Electric	188⅛	129¾	187¼	118	322	109⅛	337¼	227¼	309½	‡8
General Motors	*51⅝	*25	*850	*74½	66⅞	*8⅛	94⅝	64⅝	90⅞	‡6
Do. 7% Pfd.	..	..	..	..	103⅛	95⅛	113¾	102	112	7
General Petroleum	..	..	..	..	45	38⅝	59	42	43⅞	2
Goodrich (B. F.) Co.	86⅛	15⅛	80¼	19⅝	93⅝	17	59	36⅜	54	4
Do. Pfd.	109⅜	73⅝	116⅝	79⅞	109⅛	62⅛	100¼	92	100	7
Goodyear T. & R. Pfd.	..	..	..	..	90⅝	35	105¾	86⅝	104	7
Do. prior Pfd.	..	..	..	..	108⅛	88	108	103	107	8
Granby Consolidated	78⅛	26	120	58	80	12	21¼	13	16½	..
Great Northern Ore Ctfs.	88⅛	25⅛	50⅝	22⅛	52⅝	24⅞	40½	26¾	27⅝	1
Gulf States Steel	..	..	137	58⅝	104⅝	25	94⅞	67⅛	79¼	5
Hayes Wheel	..	..	..	..	52⅞	31	44½	30	38¼	3½
Houston Oil	25⅛	8¼	86	10	116⅛	40⅛	85	59	64¼	..
Hudson Motor Car	..	..	..	..	36	19⅛	66½	33¾	62⅞	3
Hupp Motor Car	..	..	11⅝	2⅛	29⅛	4⅝	20½	14¼	18	1
Inland Steel	..	..	..	..	48⅝	31⅛	50	38¾	†41	2½
Inspiration Copper	21⅝	13⅞	74⅝	14¼	68⅞	22⅛	32⅝	22¼	26⅝	½
Inter. Business Mach.	..	..	52⅝	24	118⅞	28⅝	147⅝	110	†138	3
Inter. Combustion Eng.	..	..	..	..	39	19⅝	51	31¾	45½	2
Inter. Harvester	..	..	121	104	149⅝	66⅝	127⅞	96⅛	123½	5
Inter. Merctl. Marine	9	2⅛	50⅝	⅝	67⅝	4⅛	14⅞	7⅛	8	..
Do. Pfd.	27⅝	12⅛	125⅝	8	128⅛	18½	52¾	27	29⅝	..
Inter. Nickel	*227¼	*135	57½	24⅛	33⅞	10⅞	35⅝	24	33	2
Inter. Paper	19⅝	6½	75⅛	9⅛	91¾	27⅞	74⅝	48¼	65¾	..
Kelly-Springfield Tire	..	..	85¼	36⅞	164	9⅝	21⅝	12¼	16½	..
Do. 8% Pfd.	..	..	101	72	110¼	33	74	41	†61	..
Kennecott Copper	..	..	64¼	25	57⅝	14⅝	57¾	46½	53⅞	3
Kinney (G. R.) Co.	..	..	..	..	86¼	35½	87¾	72	†76	4
Lima Locomotive	..	..	..	..	74⅞	52	74⅜	60	64½	4
Loew's, Inc.	..	..	..	..	38⅝	10	35⅞	22	34⅛	2
Loft, Inc.	..	..	..	..	28	5⅛	9⅛	6	†7⅛	..
Lorillard (P.) Co.	*215⅛	*150	*239⅝	*144⅛	*245	23⅜	36¼	30¼	35	3
Mack Trucks	..	..	..	..	170	25⅛	238	117	205	6
Magma Copper	..	..	..	..	45⅝	26⅝	44¼	34	41¼	¾
Mallinson & Co.	..	..	..	..	45	8	37½	21⅝	25	..
Maracaibo Oil Explor.	..	..	..	..	37⅛	16	35½	20½	21	..
Marland Oil	..	..	..	..	59⅝	12⅛	47⅜	32⅝	41½	3

(Please turn to next page)

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Price Range of Active Stocks

INDUSTRIALS—*Continued*

	Pre-War Period 1909-1913 High	Pre-War Period 1909-1913 Low	War Period 1914-1918 High	War Period 1914-1918 Low	Post-War Period 1919-1924 High	Post-War Period 1919-1924 Low	1925 High	1925 Low	Last Sale Sept. 3	Div'd $ per Share
May Department Stores....	*88	*65	*97½	*55	*174¾	*60	128¾	101	117½	5
Mexican Seaboard Oil......	..	..	..	..	34½	5¾	22½	11½	12⅝	..
Miami Copper	30¼	12⅝	49⅝	16½	32⅝	14½	24⅜	8	9⅝	1
Montgomery Ward	..	..	..	..	48½	12	73	41	68½	..
National Biscuit	*161	*96½	*139	*79⅝	*270	35⅝	75⅝	65	70½	3
National Dairy Prod........	..	..	..	..	44½	30½	67½	42	65¼	3
National Enam. & Stamp..	30¼	9	54½	9	39½	18½	39	25	36½	..
National Lead	91	42½	74⅝	44	169¼	63½	166⅞	135½	†152	8
N. Y. Air Brake...........	98	45	136	55⅞	145⅜	26⅝	56½	42⅜	47	4
Do. Class A	..	..	..	..	57	45½	57½	51	54½	4
N. Y. Dock	40¼	8	27	9¼	70⅜	15¼	36⅝	18	31⅜	..
North American	*87⅜	*60	*81	*38⅞	*119½	17½	60⅜	41½	58	3.40
Do. Pfd.	..	..	..	..	50¼	31⅞	50¼	46⅝	50¼	3
Pacific Oil	..	..	..	..	69⅝	27½	65¼	51⅝	53¼	3
Packard Motor Car.........	..	..	..	..	21	9⅞	39¼	15	38½	‡1.20
Pan.-Am. Pet. & Trans....	..	..	70⅝	35	140¼	38½	83⅞	59⅝	61⅝	6
Do. Class B	..	..	..	..	111⅜	34½	84½	60½	62	6
Philadelphia Co.	59¼	37	48⅝	21½	57½	26½	62⅜	51½	57	4
Phila. & Reading C. & I..	..	..	..	..	54¼	34½	52½	37⅜	41⅝	..
Phillips Petroleum	..	..	..	..	69⅝	16	47½	36½	37⅞	2
Pierce-Arrow	..	..	65	25	99	6½	40⅝	10⅝	39½	..
Do. Pfd.	..	..	109	88	111	13½	89⅜	43	87	..
Pittsburgh Coal	*29⅝	*10	58⅝	37½	74⅝	45	54½	37¼	44½	..
Postum Cereal	..	..	..	..	134	47	143	93¼	130½	4
Pressed Steel Car.........	56	18½	88¼	17¼	113⅜	39	69	45	55¼	..
Do. Pfd.	112	88½	109⅝	69	106	67	92½	76½	†78	7
Pub. Serv. N. J.	..	..	..	..	70	39	87⅞	62⅝	80½	5
Pullman Company	200	149	177	106¼	161⅝	87¾	151¾	129	141¼	8
Punta Alegre Sugar.........	..	..	51	29	120	24¾	47¼	33	33⅛	..
Pure Oil	..	..	142⅞	31⅞	61⅞	16¼	33⅜	25½	26¼	1½
Radio. Corp. of Am.........	..	..	..	..	66⅛	25⅞	77⅞	48⅝	54⅜	..
Railway Steel Spring.......	54½	22¼	78½	19	137½	67	141¾	122½	131¼	8
Do. Pfd.	113⅜	90¼	105½	75	121½	92½	121	114¼	†118	7
Ray Consol. Copper.........	27½	7½	37	15	27¼	9⅞	17⅞	11⅜	13½	..
Replogle Steel	..	..	..	..	93½	7¼	23¼	12⅝	14¼	..
Republic Iron & Steel......	49½	15⅜	96	18	145	40½	64⅜	42½	47½	..
Do. Pfd.	111¼	64½	112⅝	72	106¾	74	95	84¼	90¼	7
Royal Dutch N. Y..........	..	..	86	56	123⅜	40⅝	57⅞	48¼	49½	4.42½
Savage Arms	..	..	119⅝	39⅝	94½	6⅞	108⅜	48½	64⅝	..
Schulte Retail Stores.......	..	..	..	..	129¼	88	116⅞	101½	102	§8
Sears, Roebuck & Co........	124⅜	101	232	120	243	54¼	216	147½	208	6
Shell Trans. & Trading....	..	..	..	..	90¼	29½	45¾	39⅝	†40	2.16
Shell Union Oil	..	..	..	..	22½	12⅛	28⅜	21⅝	22½	1.40
Simmons Company	..	..	..	..	37	22	49⅝	31½	47⅜	2
Simms Petroleum	..	..	..	..	24	6½	26⅜	17⅜	19¼	1
Sinclair Consol. Oil.........	..	..	67½	25¼	64¼	15	24⅞	17	18½	..
Skelly Oil	..	..	..	..	35	8⅝	30½	21⅜	25¼	..
Sloss-Sh. Steel & Iron.....	94⅝	23	93¼	19½	89	32½	107½	80½	99	6
Standard Oil of Calif.......	..	..	..	..	135	47½	67½	51½	53	2
Standard Oil N. J.	*448	*322	*800	*355	*212	30⅞	47½	38⅜	39	1
Do. Pfd.	..	..	..	..	119½	100½	119	116¼	116⅜	7
Stewart-Warner Speed	..	..	*100½	*43	*181	21	77⅞	55	68½	5
Stromberg Carburetor	..	..	45¼	21	118½	22½	79⅜	61	69½	6
Studebaker Company	49½	15⅜	195	20	151	30½	50	41¼	46	4
Do. Pfd.	98½	64½	119½	70	118¼	76	118¾	112	†115¼	7
Tennessee Cop. & Chem....	..	..	21	11	17½	6¼	12¼	7⅝	10⅜	1
Texas Co.	144	74½	243	112	57¾	29	54⅜	42⅜	48	3
Texas Gulf Sulphur.........	..	..	..	..	110	32⅝	115	97½	108½	8
Tex. & Pac. Coal & Oil...	..	..	..	..	195	5½	23⅜	10⅞	11⅛	..
Tide Water Oil	..	..	225	165	275	94	36¼	30½	31⅜	1
Timken Roller Bearing......	..	..	..	..	45	28½	46¼	37⅜	41⅝	‡3
Tobacco Products	145	100	82⅝	25	115	45	94½	70	91½	6
Do. Class A	..	..	..	..	93½	76½	106	93½	103¼	7
Transcontinental Oil	..	..	..	..	62⅝	1¼	5¾	3⅜	3⅞	..
Union Oil of Calif.........	..	..	..	..	39	35	43⅞	33½	33¼	1.80
United Cigar Stores.........	..	..	*127⅞	*8⅝	*255	42½	96½	60¼	82¼	¶3½
United Drug	..	..	90⅝	64	175½	46¼	133½	110⅞	126½	7
Do. 1st Pfd.	..	..	54	46	58½	36⅝	56	52	54⅞	3½
United Fruit	208½	126½	172	105	224⅞	95⅜	234	204⅞	223	10
United Ry. Investment.....	49	16	27½	4½	41	6	33½	18	22½	..
Do. Pfd.	77	30	49½	10½	64⅞	14	83½	48½	68⅜	..
U. S. Cast I. Pipe & F....	32	9⅛	31⅞	7⅝	169⅝	10½	250	131½	162	..
Do. Pfd.	84	40	67½	30	104¼	38	113	91	†103	7
U. S. Indus. Alcohol........	57¼	24	171½	15	167	35¼	94⅝	76	87½	..
U. S. Realty & Imp.........	87	49⅝	63⅜	8	143½	17½	147¾	114½	140	8
U. S. Rubber	59½	27	39½	44	143⅜	22½	65½	33½	53½	..
Do. 1st Pfd.	123½	98	115¼	91	119½	66½	108¾	92¾	103½	8
U. S. Smelt., Ref. & Min.	59	30⅝	81½	20	78¼	18⅜	46¾	30	43	3
U. S. Steel	94⅝	41¼	136⅝	38	121	70¼	129⅝	112⅝	120	‡5
Do. Pfd.	131	102½	123	102	123½	104	126⅝	122½	124	7
Utah Copper	67½	38	130	48½	97½	41⅝	100½	82	†95	4
Vanadium Corp.	..	..	..	..	97	19⅛	34¾	25⅝	28⅝	2
Western Union	86¼	56	105½	53⅜	121¼	76	137½	116¼	129½	7
Westinghouse Air Brake...	141	132¼	143	95	124½	76	144	97	125½	6
Westinghouse E. & M......	45	24⅜	74⅞	32	71⅜	38⅞	84	66¼	73½	4
White Eagle Oil	..	..	..	..	34	20	31¾	25½	26	2
White Motors	..	..	60	30	86	29¼	104½	57½	92½	4
Willys-Overland	*75	*50	*325	15	40½	4½	24½	9½	18⅝	..
Do. Pfd.	..	..	100	69	98¼	23	111	72¼	105¼	7
Wilson & Co.	..	..	84¼	42	104⅞	4⅛	13¾	5½	5⅞	..
Woolworth (F. W.) Co....	*177⅝	*76½	*151	*81½	*345	72½	172¾	112½	168	3
Worthington Pump	..	..	69	23½	117	19⅞	79¾	35¼	38	..
Do. Pfd. A	..	..	100	85⅞	98½	65	88	77	†76	7
Do. Pfd. B	..	..	78⅜	50	81	53½	76½	58	†60¾	6
Youngstown Sh. & Tube...	..	..	..	..	80	59⅜	76½	63	73	4

* Old stock. † Bid price given where no sales made. ‡ Not including extras. § Payable in stock. ¶ Partly stock.

A "MOVIE" OF GERMANY

(*Continued from page* 897)

archy, although it is regrettable that they do in great numbers take the attitude "We are too ignorant to govern ourselves." When a man tells you this, he usually says it in the way of giving the impression that the *remainder* of the people are the ignorant ones. Personally, I do not believe this. Of course, they are inexperienced in the ways of a Republic. We make plenty of mistakes in our Republic after 150 years of experience and the Germans should not be so easily discouraged. They take much more interest in their elections than we do. Between 80 and 90% went to the polls at the last election, while in America we do well if we get out 50 to 60%.

Before I close I ought to tell you something of what they think of America and Americans. They have all seen pictures of New York City with the Woolworth Building and some of the other skyscrapers and they think of America as just New York City duplicated over and over. They call us "Colossal Rich." They look on the U. S. A. as the rich man of the neighborhood, who is inclined to be liberal and generous. Many plays and novels work in a "rich uncle in America" until the mere fact that a man is from America means that he is expected to pay from 25 to 100% more than a German would be expected to pay. They cannot picture a poor, or a middle-class American. The hotels are a straight hold-up for an American, and of course 20% tips for everyone. Many foolish Americans are to blame for this, as they come to Europe and throw their money around recklessly, but at that, I cannot help but feel that the Germans are killing the goose that lays the golden eggs, as many American tourists are keeping out of Germany now because of the high prices.

About the future here, I am no prophet, and can't make much of a guess. A few things, however, seem to stand out strongly. The Dawes plan is generally considered as a necessary prelude in getting Germany back on her feet and at work again after the inflation. It did not make any important change in the Versailles Treaty which it is commonly agreed is physically impossible of fulfillment. So the present reparations plans are temporary. Reparations do not begin at their full strength for a couple of years yet, and by that time there will have to be readjustments.

Most people doubt whether it will be possible for the reparations agent to transfer any great amount of indemnity out of the country, even though the Germans are able to make the required payments to his credit. It would be impossible to obtain sufficient foreign exchange, and, of course, large shipments of gold would again throw the country's currency off its basis

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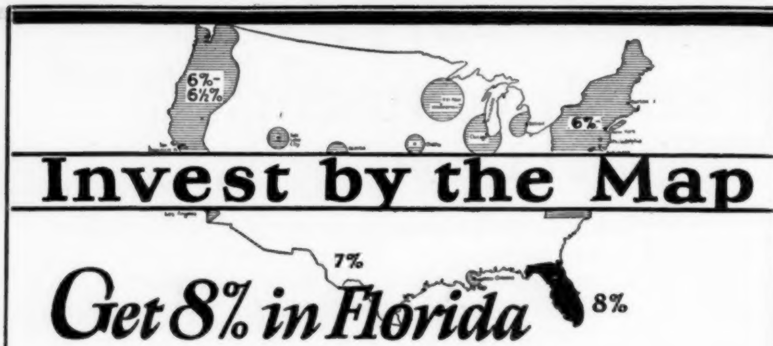

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with all the attendant evils. Then, too, most of the nations, like the United States for example, are trying to keep out as much foreign goods as possible. It is funny to hear an American who believes in a high protective tariff saying that Germany ought to pay big indemnities, and funnier still to hear the politicians saying that we should all keep working and not import any cheap goods from abroad—not even accept any gifts, that's what the reparations payments amount to—that other people have to *work* to produce, for fear there will not be enough *work* to employ us all.

Sincerely,
A. H. K.

THE POWER OF B. & L. SAVINGS

(*Continued from page* 915)

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saving, a definite goal, you can win—
If you have a fixed plan of systematic
if you will.

ANSWERS TO INQUIRIES

(*Continued from page* 922)

over that of the year preceding, on the whole it does not appear to represent a particularly attractive holding. We are inclined to suggest a switch to Chile Copper, a remarkably low cost producer with practically unlimited ore reserves.

THE PIERCE OIL CORPORATION

Will the suit of the Pan American against the Pierce Oil Corporation have any effect upon the rehabilitation of Pierce? What do you think of the outlook for the stock? —H. P. S., Buffalo, N. Y.

The suit to which you refer is a minor factor in the affairs of Pierce Oil. Pan American contends that a subsidiary of Pierce Oil, the Compania Mexicana de Combustible S. A., drilled wells on the plaintiff's property in the State of Vera Cruz, and removed therefrom somewhat over 22,000 barrels of oil. Damages in the amount of $25,000 are asked. In view of the minor sums involved it is difficult to see where this suit will have a permanent adverse effect upon Pierce Oil, or place a serious obstacle in its path toward rehabilitation. The outlook for Pierce is brighter than it has been for some time. The company has made excellent progress under the guiding hand of the present management, and last year was able to show an operating profit of over $600,000 which was a welcome change from the deficits of the years immediately preceding. Proper equipment and good management has been productive of good results, and the company should be able, in time, to work itself into a much better position. The common has quite a way to go, but the preferred has fair speculative possibilities.

BURNS BROS.

Does the coal strike affect Burns Bros. in any way? I notice the company is buying several additional distributing companies. Is this a good hold in view of the apparent difficulties the coal distributors will have in getting supplies this year?—M. A. G., Chicago, Ill.

The acquisition of the Wyoming Coal Company and the Steamship Fuel Company by Burns Brothers is in line with the expansion program announced some time ago, and which is expected eventually to extend the activities of the company to Boston, Philadelphia and other cities. We doubt very much if the present coal situation has much bearing on the case. Without doubt a coal strike of long duration with attendant difficulty in procuring coal supplies will have an adverse effect on Burns Brothers, but whether such a state of affairs can be looked forward to with certainty is an entirely different proposition. Just now the miners appear prepared to settle down to a state of siege, but government mediation is not improbable, and the menace of uncomfortable wintry days ahead may be lifted before the situation becomes truly alarming. Based on their merits alone, Burns Brothers shares do not appear to particular advantage. The earnings record of the company leaves something to be desired, and from time to time it has appeared doubtful if the dividend on the Class A shares would be maintained in its entirety. Based on visible prospects both classes of stock appear high enough. We believe that switches to Cudahy Packing and Armour & Company of Illinois, Class A, both of which companies are showing excellent earnings, would be good business policy.

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Then, too, the constant shifting of security markets often makes possible a rearrangement in holdings which will yield a cash profit or a slightly higher income without sacrificing security or other essential qualities. It is good business to make such rearrangements whenever opportunity offers.

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V. VIVAUDOU, INC.

Early this year, on your recommendation, I bought Vivadou at 8 and, of course, I have a profit of almost 100 per cent in it. What is the basis for the lawsuit Mr. Vivadou has instituted? Do you think it will have any effect on the stock or on the company?—A. D., Kansas City, Mo.

Mr. Vivaudou has filed an action against three individuals, alleging fraudulent misrepresentation in connection with the sale of his holdings in V. Vivaudou, Inc. The plaintiff alleges he was induced to dispose of 50,000 shares to this group at $7 a share when the stock was actually worth more than twice that figure. He further contends that the low levels reached on the New York Stock Exchange were not justified and were the result of manipulative tactics on the part of the defendants. However, this suit it not aimed at the company and stockholders have little cause for worry. The company is making good progress in the right direction, turning an operating deficit into net earnings of 97 cents per share in the first half year. By changing its capital structure the company has wiped out a heavy profit and loss deficit and is now well supplied with working capital. We feel that indicated earnings and prospects justify you retaining the stock for further appreciation.

WILL THERE BE ENOUGH HIGHWAYS FOR OUR TWENTY MILLION CARS?

(*Continued from page* 891)

and much of it is not on the national system. But it is just as obvious from a perusal of all available statistics that the average of cars per mile is greater than the figure of 37 obtained by dividing the total number of cars against the 470,000 miles of roads reported as surfaced, many of which are avoided by motorists because of their lack of repair. The actual average lies somewhere between those figures.

In passing it might be noted that the mileage of improved roads on the Federal aid system does not by any means indicate permanent construction. The largest item in the 120,000 total is 41,128.67 miles of gravel roads. Concrete is second on the list with 20,570.98 miles, but the third figure is 12,028.8 miles of highway designated merely as "graded and drained." There are 10,225.62 miles of bituminous macadam, but the total of all so-called hard roads—concrete, brick, bituminous concrete, bituminous macadam, waterbound macadam, etc., is only slightly greater than the total of gravel miles.

The record of concrete mileage is valuable as a yard stick, since accurate and complete statistics on this type of paving have been compiled by important factors in the cement industry. The figure of 20,570.98 miles of concrete road is for the Federal aid sys-

tem only. According to records, the total mileage of concrete roads is 31,698.3, of which 6,071.3 miles were built during 1924. This is an increase of approximately one thousand miles over the construction record for 1923, which in turn exceeded the 1922 record by a margin almost as large. *On the basis of an estimated registration of 17,000,000 motor cars and trucks on January 1, 1925, there were 536 cars per mile of concrete road.*

Increase in Concrete Roads

This, however, is in many respects the most encouraging figure in all the statistics of the industry, because in spite of the tremendous growth of car production the mileage of permanent roads has exceeded it. In 1908, when the total output of the industry was 197,479 cars and trucks, the country boasted only three miles of complete concrete roads, which meant a total of 65,826 cars to the mile. By 1914, when production of cars came close to two millions, 1,614 miles of concrete road were in service—an average of 1,060 cars to the mile. Every year since then has shown a progressive decrease of the number of cars to the mile of concrete. Projects already under contract for this year and outlined for 1926 indicate that in spite of a new and well defined trend of policy in road building, this decrease will continue.

This new policy began to make itself manifest two or three years ago. It is the recognition by all interests involved that the automotive industry cannot stand still. Strange as it may seem, the first result of the movement for permanent roads was based, to all appearance, on the theory that motorists must get along with any kind of a road until the permanent construction could be finished. In many states this led to neglect of maintenance and repair work necessary to keep the old roads serviceable. The idea was widely promulgated that to put money into anything but permanent construction was "throwing good money after bad." But after a time it began to dawn on highway construction officials that immediate service is essential to the success of the industry, and to the prosperity of the country. It was also discovered that a road built for the heaviest truck traffic and not used to a definitely measured extent represented a loss to the taxpayers. The officials, in other words, began to reckon up the interest charges on the bonds issued, and that led to the policy now definitely taking shape in all states to build self-supporting roads.

Surveys made in many states as a result of that policy during the last few years have shown that thousands of miles of light surfaced roads have been needlessly torn up for replacement or permitted to fall into disrepair. In some sections, this has thrown on new construction double and triple the normal and estimated traffic, producing congestion problems that would not have existed if all the old roads had been maintained in good shape until

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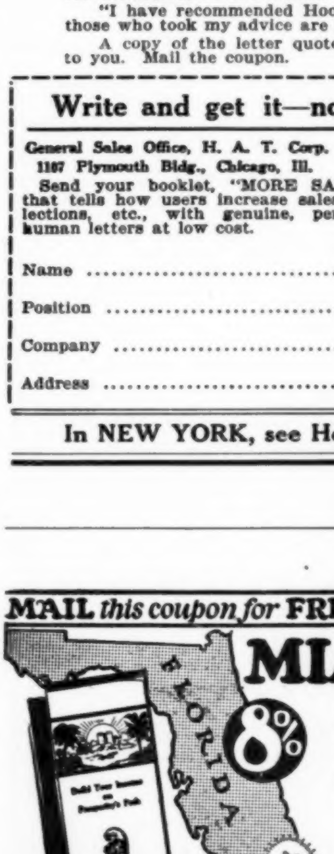

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they had reached the limit of their usefulness. Congestion represents an economic loss even greater than the actual money loss in the abandonment of old roads, which is relatively negligible. Congestion slows up all industry and reduces earnings.

As a consequence, highway investments—and investments in the automotive industry, other things being equal—are now being placed on a more enduring and solid foundation than ever before in history. While the lack of uniform programs in all the states is still marked, virtually all of the state highway officials are now agreed that the first and most essential charge now and in the future must be for repair and maintenance. In many states repair patrols have been established, operating in the same manner as track walkers. Every hole the size of a half dollar is marked, reported and repaired at once. Naturally this has reduced the cost of maintenance, making possible a far larger mileage of good surfaces out of the increasing funds available from taxes and other sources.

With this program rapidly extending itself into all the states, and with the development of better engineering practices in new construction, increasing use of the automobile and consequent increase of funds available for maintenance, interest on bonds and new construction is inevitable. The only thing, in the opinion of experts, that may serve to limit it is the lack of uniformity referred to above in special and luxury taxes, and in methods of distributing funds so obtained which leaves the taxpayer somewhat in the dark. These tax items and an outline of the new ideas in construction will be discussed in the second article of this series.

Note: This is the first of a series on the important factors relating to the future of the automobile roads in this country. The second will appear in an early issue and will outline the remedies for the situation.

Important Corporation Meetings

Company	Specification	Date of Meeting
Famous Players	Pfd. Div.	9.12
Vanadium Corp.	Annual	9-12
Kansas City South	Pfd. Div.	9-15
Kelly-Springfield	Directors	9-15
Phelps Dodge Corp	Dividend	9-15
Amer. Tel. & Tel.	Directors	9-16
Amer. Type Found.	Pfd. & Com. Divs.	9-16
Austin Nichols	Pfd. Div.	9-16
Cities Service Co.	Directors	9-16
Crucible Steel Co.	Directors	9-16
Otis Elevator	Pfd. & Com. Divs.	9-16
United Alloy Steel	Pfd. & Com. Divs.	9-16
Adams Express	Dividend	9-17
All Amer. Cables	Dividend	9-17
Amer. Agri. Chem.	Annual	9-17
Jones Bros. Tea	Directors	9-17
Tobacco Prod.	Directors	9-17
U. S. Ind. Alcohol	Pfd. Div.	9-17
Amer. Roll. Mill	Pfd. & Com. Divs.	9-18
Bayuk Cigars	1st & 2nd Pfd. Divs.	9-18

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NEW YORK RAILWAYS

(*Continued from page* 901)

bonds enjoy a good market on the Stock Exchange; they are thoroughly "seasoned" and offer the unusually high yield of over 8%.

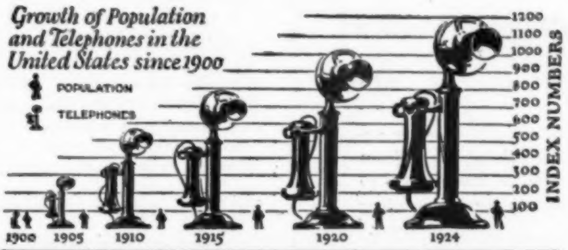
Of the remaining underlying liens, the *Bleecker Street & Fulton Ferry 5s,* Thirty-fourth Street 5s and Twenty-third Street 5s represent obligations of the old company that have come through the reorganization undisturbed.

The Central Crosstown 6s, Sixth Avenue 5s and New York Railways Prior Lien 6s are new issues, secured, in each instance, by very substantial real estate equities. These underlying issues are somewhat inactive, but in each case they are well secured and offer an unusually high return on the investment. They are attractive for those interested in the more speculative type of bonds.

The new 6% Income bonds are cumulative from January 1, 1925 and in this issue lies the speculative opportunity in the New York Railways Corp. Prior to 1930, interest on the bonds is payable solely at the discretion of the board of directors but thereafter the interest becomes a fixed obligation if earned. Interest, in any event, is cumulative. At present, earnings available for interest on these bonds is equivalent to between 3% and 4%, and if the estimated savings are realized, it should not be long before the 6% is covered in full. *The bonds enjoy an active market on the Stock Exchange and they offer an unusual opportunity for speculation.*

The Preferred Stock is entitled to non-cumulative dividends at the rate of $7 per share annually, after full cumulative interest has been paid on the Income 6s. Dividend prospects on this stock are remote, but it is selling at a very low price and in the event of favorable political developments, it would probably be affected sympathetically.

The Common Stock, which has sole voting power, was all issued under the terms of the Reorganization Plan to the holders of the former New York Railways First Real Estate and Refunding Mortgage 4% bondholders. These bondholders were also entitled to their pro-rata proportion of certain non-operating assets aggregating a value of about $6,000,000. The means of effecting this distribution was to form the new Railways Participation Corp. with a capitalization of 18,022 shares of stock, which was equal to one share for each $1,000 New York Railways First Real Estate and Refunding Mortgage 4% bond. Certificates were issued in units of one share of Participation Corporation stock and five shares of the new Common Stock. These units are known as "Participation Receipts" and have been listed on the New York Stock Exchange where



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they have ranged between $265 and $295 per unit. It is expected that when liquidated, the non-operating assets will bring about $340 per Receipt. In the event of liquidation at this figure, a purchaser at present prices of about $270 would collect a profit of over $70 per Receipt and hold 5 shares of Common Stock as "velvet." In view of the fact that this Common stock has sole voting power, it may at some future time have a considerable value.

TIDE WATER OIL CO.

(*Continued from page* 919)

operating loss of 2.03 million dollars in 1921 and a net deficit of 6.19 millions after dividends because of the extremely chaotic condition of the oil industry in that year, its record is none the less impressive.

Dividend payments were suspended in 1922 and resumed at the conservative rate of $4 a share on the old $100 par value common stock in December, 1923. Prior to this suspension, payments to shareholders were liberal. In fact, this interruption spoiled a previously unbroken record dating back to 1889 since which time disbursements varied between a minimum of $4 and a maximum of $22, including extras. In 1917, a stock dividend of 10% was paid.

Earnings in the past three years have not measured up to the pre-1921 standard, due to continued unsettlement in the oil business. Net last year, for example, was equivalent to $1.95 a share on the present no par common compared with $6.55 in 1922. For the past nine years, net has averaged $3.73 a share on the new stock, which was exchanged on the basis of four new shares for one old last May. In the first six months of the current year, net profits were equal to $1.91 a share compared with $1.66 in the corresponding period a year ago.

The new common has been placed upon a dividend basis of $1 a share. At recent prices around 31, this issue, therefore, affords an income return of but 3.1%. In the light of recent development, it is probable that the stock can be purchased to somewhat better advantage when the current difficulties of oil companies have abated. The stock, however, may well be ranked among the strongest of the oils and patient holders may eventually expect to reap the rewards assured by sound management and solidly established earning power.

For Feature Articles to appear in the next issue see page 879

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TRADE TENDENCIES

(Continued from page 926)

accordingly, refrained from bidding against one another for materials.

Competition between producers, accordingly, remains keen and is reflected in the uncertain price movement. Finished steel quotations, in fact, are not sharing the upward movement in demand and output and some items, particularly heavy steel products, are lower. Whether producers will succeed in bringing the market under better control remains to be seen.

Pig iron is an exception to this trend. The substantial buying of this material in recent weeks has resulted in a reduction of stocks. Sellers have discovered the tide swinging in their favor and have raised prices to $20 a ton in the Chicago district.

The improvement in output should have a tendency to make steel mill operations more profitable but much is to be desired in respect to the price situation which is still unsatisfactory.

COPPER

In Sound Position

The red metal finally touched the 15-cent mark and, as if content with this performance, has shown a disposition toward moderate reaction. The market is now fractionally under the even figure where it appears to be resting in anticipation of new developments. Neither producer nor consumer seems inclined to make the first move. Hence, business in copper is relatively quiet but it is significant of the industry's underlying position that no real weakness is in evidence.

The fact that producers have decided once more to release figures bearing upon the monthly statistical position of the industry would indicate their confidence in the situation. Evidently it is felt that such publicity will reveal the strength of their own position and the comparative weakness of the consumers'.

It has been known for some time that stocks of the red metal were down to the lowest levels since the war. Surplus, as of August 1, amounted to 88,088 short tons which contrasts with 91,326 short tons a month earlier. World production fell off 400 tons during July to 129,300 tons.

Domestic buying has been the mainstay of the market in late weeks. Export demand is still quiet. Since the domestic absorption was rather heavy prior to the past fortnight, the current lull is not surprising. It is probable that the market will remain in its present state of comparative calm for the present, or until consumers have eaten into accumulated supplies.

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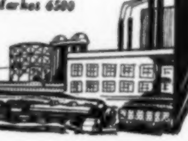

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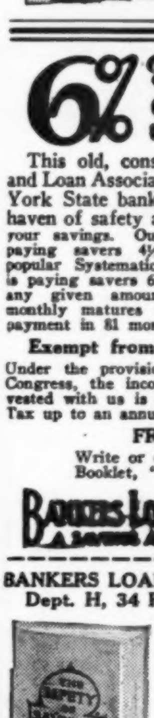

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Michigan	5¾	July, 1941	4.15%
Oregon	5½	April, 1937	4.25
California	4¼	July, 1957	4.25
Illinois	4	May, 1941	4.15
North Dakota	5¼	January, 1949	4.40
Missouri	5	March, 1936	4.20
West Virginia	5	July, 1938	4.20
Minnesota	4¾	February, 1944	4.15
Milwaukee, Wis.	5	July, 1937-8	4.15
Cleveland, Ohio	5	March, 1939	4.20
San Francisco, Calif.	4½	July, 1941	4.40
Camden, N. J.	4¼	Sept., 1952-62	4.15
Youngstown, Ohio	5¼	October, 1932	4.30
Baltimore, Md. Reg.	3½	October, 1980	4.10
Buffalo, N. Y. Reg.	4	June, 1957	4.00
Los Angeles, Calif.	5	1942-5-51	4.50
Detroit, Mich.	4½	1938-54	4.25
San Diego, Calif.	5	1931-66	4.40
Denver, Colo.	5¼	1964-73	4.60
Torrington, Conn.	5¼	1936-41	4.15
Chicago, Ill.	4	1937-9	4.15
Louisville, Ky.	4	July, 1937	4.00
Portland, Me.	4	1936	4.00
Grand Rapids, Mich.	5	1926-34	4.20
Minneapolis, Minn.	4	January, 1935	4.15
St. Paul, Minn.	6	July, 1951	4.25
Bayonne, N. J.	4½	January, 1933	4.25
Paterson, N. J.	4¼	February, 1945	4.25
Trenton, N. J.	4	1939	4.15
New York, N. Y.	4½	June, 1965	4.15
Providence, R. I.	4	July, 1956	4.00
Pawtucket, R. I.	4½	1950	4.20
Chelsea, Mass.	4	1936	4.00
San Antonio, Texas	5	1931-59	4.40

The Municipal Bond Table has undergone revision. All of the bonds listed are legal for savings banks investments in the three states of New York, Connecticut and Massachusetts. All have extremely rigorous standards with reference to State and Municipal bonds, but it appears that their standards differ, and it has been found that the combined requirements of the three states ensure safety. No town with less than 20,000 inhabitants has its bonds represented, because, as a rule, their marketability is inferior. Every effort has been made to exclude bonds subject to local taxation. This list will be revised constantly, on the basis of yield. It is felt that the yields obtainable are as high as possible in view of the strict requirements.

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(*Continued from page* 899)

Few roads have benefited more from increased population and industrial development in the last decade. Oil has afforded the stimulant to expansion in the Southwest, but from all other economic angles the country invites further development. The present boom, too orderly and consistent to perhaps merit the term, appears destined to continue for some years to come, nor should occasional blemishes in the picture, such as this year's drought in a portion of Texas, constitute much of a retarding influence.

While there has been a moderate increase in the company's funded debt of 35 millions since reorganization, it will be observed that 75 millions has been added to road and equipment and 5 millions to working capital. Surplus earnings in the little over eight years ended December 31, 1924, aggregated 18.3 millions all of which was returned to the property with the exception of $104,628 representing the initial quarterly dividend payment on the preferred stock. The reinvested sum is equivalent to $260 per share of preferred and $40 per share of common. This policy of intensive development has naturally been productive of increased operating efficiency.

The only non-carrier investment of importance is in the 500,000 shares (50%) of the New Mexico & Arizona Land Co. which has a current market value of about $8 a share. It is thought that these lands, comprising over 1,000,000 acres, contain oil and coal. If so, a very real speculation is involved.

Earnings of the St. Louis-San Francisco in the first seven months of the current year have broken all records, yielding surplus after charges of $2,998,020 against $1,746,545 in the same period of 1924. *This is at an annual rate of over $15 a share on the common and is being effected on a rising scale from month to month.* That maintenance expenditures remain adequate is apparent from the condition of equipment and the efficiency of current operations. Bad order cars of but 5.7% approximated, and bad order locomotives of 14.7% bettered, on July 15 last, the ideal objective of the American Railway Association.

One of the weakest points of 'Frisco is its low official valuation by the Interstate Commerce Commission, which places a tentative figure on the properties devoted to transportation as of June 30, 1918 of $193,838,581 which, however, leaves out of consideration a number of small subsidiaries. This compares with a claimed valuation of $435,000,000 as of December 31, 1924, and a book value of about $400,000,000. Based upon the I. C. C.'s findings it is difficult to find a present asset value of much over $310,000,000, just about sufficient to cover the funded debt and

$50,000

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Assessed Valuation	**$28,589,169**
Total Bonded Debt	**2,576,750**

Population (1920 Census) 38,110

" (Pres. Est.) 50,000

These Warrants are a direct obligation of Hidalgo County, and are payable from taxes levied on all the taxable property therein.

Hidalgo County was organized in 1852, is located in the southeastern part of the State and has an area of 1,042,560 acres. This is one of the very fertile sections of the State, the average land value being approximately $100 per acre.

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preferred stock leaving nothing for the common. The finding is being vigorously contested, and it is hoped that the justice of book values can be established or at least an amount sufficient to provide cover for all securities at par. Under these three contingencies the recapturable point of earnings is, as far as the common is concerned, at about $6, $12, and $19 a share, respectively, so that the re-solution of this question is of vital importance to the junior security holders. Confidence of the management as to the ultimate outcome is perhaps revealed in the current dividend policy of the road.

As to Consolidations

In the consolidation groupings, this road was made the neucleus of a system which included the Missouri, Kansas and Texas and St. Louis-Southwestern. The former has come largely under control of the Kansas City-Southern, while a majority of the latter's stock has been acquired by the Rock Island. This merger 'Frisco is opposing on the ground that it would tend toward its own isolation and is contrary to the plan of the Commission.

The attitude of the latter body toward consolidations in contravention of its recommendations is at the moment highly problematical. Meanwhile, it is not entirely unlikely that some larger system might see an advantage in the purchase of 'Frisco. Both Atchison and Southern Railway have been suggested in this connection, both ideas apparently more rooted in theory than any actual development.

Should the hearing, just opening, on freight rates in Western Territory, result in increases being awarded the increment would have an astounding effect upon 'Frisco's share earning power. A 5% finding would be equivalent to $10 on the common stock, although the bullish nature of this result would be tempered by the increment being almost certainly subject to recapture. Nevertheless, a half interest or $5 a share would be retained, and as a stabilizer, of earning power the increase would carry full value.

Conclusions

In conclusion the prior lien bonds and the Kansas City, Fort Scott and Memphis issues are high grade obligations which, it is felt, have not yet fully measured their investment merit. The Adjustment and Income bonds while considerably more speculative are decidedly cheap, particularly the former; also the preferred, although this is a more difficult issue to rate.

So many undetermined factors enter into the value of the common stock that, bearing in mind the volatile character of earnings thereon, it appears at these higher levels to constitute an issue decidedly more suitable to the speculator than the investor. In other words, for the time being, it has done all that could be expected of it.

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INSURANCE DEPARTMENT

(Continued from page 914)

The Widow's Problem

Will you be good enough to give me the following information with reference to annuities and endowment insurance?

A woman with some means finds herself a widow at 35, with twin girls aged 10.

She wishes to insure herself an income from age 65 to her death sufficient to maintain herself in comfort and also to aid her daughters or their families in case this should be necessary.

She decides on buying an annuity of $500 per month from age 65. She further decides to do this by taking out a 30-year endowment policy at once for an amount sufficient to purchase an annuity of $500 per month on maturity, which in her case would be age 65.

I wish to know:

(1) What would be the price of an annuity of $500 per month for this woman purchased at age 65?

(2) What would be the (annual rate) cost of a Deferred Annuity for the same amount purchased at her present age?

In the above cases would you kindly give me the difference in cost of a straight annuity applicable for the lady alone and ceasing without return of any of the amount paid in when she died, and the Joint and Survivorship Annuity in case she wished to include her twin daughters in the application.

Please give the rates of more than one company, including the Sun of Canada.

(3) What would be the cost to this woman of an endowment policy (30-year) which would purchase for her a straight annuity of $500 per month on maturity, that is at age 65? Merely give the rate per $1,000 and give rates of two or three companies.

(4) Would you say that this lady's decision to provide for her annuity at age 65 by taking out a 30-year endowment policy for the purchase price at that age is better than purchasing the annuity now in a Deferred form and paying annual premiums for 30 years? The lady herself reasons that the Endowment policy is the better because it provides protection for her children in the event of her death before she reaches 65 and insures her the means to buy her annuity at 65 just as surely as assuming a Deferred Annuity now. Furthermore, she feels that it will tie up less of her available capital which she may otherwise invest. What is your own opinion? Can you suggest a better way than either of these?

I am inclosing stamped envelope for reply, which I hope you may be able to let me have before the end of this month. I know you are busy and the weather is hot so I have tried to make my queries as simple as possible.—J. N. M., Frontenac, Minn.

I have pleasure in giving you such information as I have at hand relative to the purchase of an income at age 65 for your client. Some of the premium rates and costs you request are only obtainable on direct application to the companies, and thus it is preferable to abstain from giving you competitive rates from two or three companies unless—or until—the lady is giving definite and serious consideration to one particular form.

Replying to Your Questions

(1) According to the rates of a reputable Old Line Company conveniently at hand, the cost of an annuity of $500 per month, purchased at age 65 (female annuitant) would be approximately $65,000, according to present scheduled returns. The rates differ somewhat (not much) in the various companies issuing annuities, and several large companies offering particularly attractive returns have recently reduced the percentage return on the purchase price owing to the smaller

(Please turn to page 952)

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42 Broadway, Hanover 6723

Carlton House, 47th St. & Mad. Ave.

Bank and Insurance Stocks

Quotations as of Recent Date

National Banks:

	Bid	Asked
American Exchange (16)	420	430
Chase (20A)	480	490
Chatham & Phenix (16)	330	340
Chemical (24)	660	680
City (20A)	490	500
Commerce (16)	377	387
First (N. Y.) (100A)	2850	2950
Garfield (15)	360	380
Hanover (24)	1075	1125
Harriman (20)	480	500
Mechanics & Metals (20)	420	430
Park (24)	500	515
Public (16)	495	505
Seaboard	590	610

Trust Companies:

	Bid	Asked
Bankers (20)	517	—
Central Union (28)	890	910
Equitable (12)	300	310
Farmers L. & T. (16)	560	580
Guaranty (12)	370	380
Irving-Columbia (14)	290	300
Manufacturers (16)	450	460
United States (60)	1800	1900

Insurance Companies:

	Bid	Asked
Aetna Fire (24)	600	610
American Surety (6.50)	150	160
Carolina (1)	36	38
Continental (6)	114	117
Fidelity-Phenix (6)	165	168
Glens Falls (1.60)	38	40
Globe & Rutgers (28)	1325	1375
Great American (16)	282	285
Hanover (5)	180	190
Hartford Fire (20)	590	600
Home (18)	350	355
Milwaukee Mech. (2.20)	41	44
National Fire (20)	740	750
National Surety (9)	205	212
Niagara (10)	248	253
North River (4)	110	115
Stuyvesant (6)	220	225
Travelers (20)	1370	1380
United States (4.80)	140	145
Westchester (2.50)	43	45

Joint Stock Land Banks

	Bid	Asked
Chicago (10)	179	186
Dallas (10)	169	175
Des Moines (9)	154	158
Kansas City (10)	180	185
Lincoln (9)	156	163
South Minnesota (10)	169	175
First Carolinas (8)	127	132

(A) Includes dividends from Securities Company.

THE market for bank stocks was active during August, without, however, showing a marked change in quotations for the average list. As predicted in this column in our last issue, *American Exchange* had a slight recession, at one time being bid down to 415. It has since recovered to 420. There has been considerable bidding for *Banker's Trust* with almost none being offered. *New York Trust* has been a feature, closing at 492-8. *Manufacturers Trust* continues its gains. The floating supply is very small, and the market is set against any erratic movements. The Manufacturers Trust Company is constantly making "news" of a constructive order, and hence is a market favorite. It should see higher levels. A marked activity has characterized the New York City "State" banks. These are not carried regularly in our column because most of them have merely local interest. Nevertheless a great many good opportunities are found among them.

Bronx Borough is earning $96.93 a share, or at the rate of 10.20% on its asked price, about 950. The net earnings on its funds are almost the highest in New York. The Bank does

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not pay a dividend, and has, in this manner, conserved its position so that some day, when the "melon" is cut, it should be astounding. Despite the high price, the stock enjoys great popularity. Its only weakness is the small supply in the market, making the spread between bid and asked prices $300 a share.

Chelsea Exchange is flourishing under the new Rothschild management. It was that management which is credited with having raised the Public National to its present position, and this quality of management has been further demonstrated in Chelsea Exchange. Two years ago the stock was below par and the outlook for the bank unencouraging. To-day, it is quoted 215-225.

Among the state banks considerable attention has been given to *Bank of United States* which has just cut a melon. It is selling 272-77 ex-rights, and the rights are 24-7. Bank of United States is intimately connected with the growth of the garment trades in New York, and is tied up with that growing enterprise.

Among the minor national banks, the remarkable management of *Bronx National* has been commented on. Earning $28 per share, having declared no dividend and selling at 225-300, it is earning about 10% on the asked price. The surplus is large, and the position of the bank sound in every respect. Dividend action should be near.

The insurance market has been very quiet, with only a ripple of activity in *American Surety* which has been bid up 12 points. *Home Insurance* which turned weak several weeks ago on the basis of its semi-annual report is continuing weak, although signs of resistance are now visible. *Globe & Rutgers* which was offered rather freely is now in demand at 1325.

The insurance stocks have on the whole held their own, some improving, and the autumn market is awaited with interest. Much activity is expected in September.

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Weekly
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Comment on the General Financial Situation and Facts of Interest Regarding

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Over-the-Counter

IMPORTANT ISSUES

Quotations as of Recent Date*

Aeolian Co. pfd. (7)	80	— 90
Aeolian Weber	15	— 20
Aeolian Weber pfd. (7)	85	— 90
Allied Packers	5	— 8
Sr. Pfd.	8	— 14
Pr. Pfd.	48	— 53
Alpha Port. Cement (6)	132	—135
American Arch (5P)	114	—118
American Book Co. (7)	135	—140
Amer. Cyanamid (4P)	100	—105
Pfd. (6)	83	— 86
Amer. Thread pfd. (¼)	3¾	— 4
Atlas Port. Cement (4)	51	— 53
Babcock & Wilcox (7)	144	—146
Barnhart Bros. & Spindler:		
1st Pfd. (7) G	103½	—106
2nd Pfd. (7) G	96	— ..
Borden Co. (4) ...New	83	— 87
Pfd. (6)	106	— ..
Bucyrus Co. (5)	180	—186
Pfd. (7)	104	—108
Celluloid Co.	25	— 28
Pfd. (8)	65	— 70
Congoleum Co. pfd. (7)	101	—103
Crocker Wheeler	..	— 23
Pfd.	..	— 75
Devoe & Raynolds (6P)	135	—138
2nd Pfd. (7)	98	— ..
Eisemann Mag. pfd. (7)	45	— ..
Eisenlohr (Otto) Bros.	13¾	— 14¼
Pfd. (7)	84	— 88
Franklin Rwy. Sup. (4)	91	— 95
Gen. Optical pfd. (3½)	25	— 30
Gen'l Rwy. Sig. (6½s)	332	—342
Hale & Kilburn pfd. (½)	16	— 19
Ide (Geo. P.) & Co., Inc.	5	— 8
Pfd. (8)	58	— 63
Jos. Dixon Crucible (8)	145	—148
Johns-Manville, Inc. (3)	170	—173
Knox Hat	50	— 55
2nd Pfd.	60	— ..
Pr. Pfd. (7)	88	— 93
Lehigh Port. Cement (3)	90	— 92
Metropolitan Chain Sts.	43	— 45
1st Pfd. (7)	107	—110
2nd Pfd. (7)	104	—107
McCall Corp.	115	— ..
Pfd. (7)	125	— ..
Nat'l Fuel Gas (6)	115	—118
New Jersey Zinc (8P)	194	—196
Niles-Bement-Pond	38	— 40
Pfd.	60	— 65
Phelps Dodge Corp'n (4)	110	—115
Pierce, But. & P'ce (8)	140	— ..
Pfd. (8)	95	—100
Poole Eng'g (Md.)		
Class A	8	— 12
Class B	8	— 12
Richmond Radiator (new)	10	— 15
Pfd. (4) (new)	32	— 37
Royal Bak'g Powder (8)	140	—143
Pfd. (6)	100	—102
Safety Car H. & L. (8)	113	—115
Savannah Sugar (6)	124	—128
Pfd. (7)	107	—110
Sheffield Farms (6)	190	— ..
Pfd. (6)	98	—101
Singer Mfg. Co. (10P)	285	—290
Singer, Ltd. (¼)	7½	— 8½
Superheater Co. (K)	142	—147
Technicolor, Inc.	5	— 6
Thompson-Starrett (6)	110	— ..
Pfd. (8)	100	— ..
Victor Talking Mach.	72	— 74
White R'k 2d Pfd. (6P)	175	—210
1st Pfd. (7)	98	—103

*Dividend rates in dollars per share designated in parentheses.

G—Guaranteed as to principal and dividend by Amer. Type Founders.

K—Dividend rate not established.

P—Plus extras.

THE unlisted market refused to participate in the reactionary proclivities of securities on the New York Stock Exchange. Instead, over-the-counter securities turned comparatively dull and actually developed some strong spots. In general, the better class stocks gave a good account of themselves.

Crocker-Wheeler Company

Although an electrical equipment manufacturer, Crocker-Wheeler has not kept pace with its industry during the past few years. This seems to be due, not to the fact that the company is a comparatively small enterprise as to the need for more aggressive management in comparatively recent years.

Earnings available for the common stock were equivalent to $2.61 a share in 1923 but fell to $0.78 last year. No data is at hand with respect to the current year's showing but indications are that the company, which some time ago went through a change in management, is progressing slowly.

Dividends on the preferred shares were suspended last June after an unbroken record of payments dating back to 1891. This step was evidently predicated upon a desire to conserve the company's resources until the present management's plans for revitalization of the business may be fully developed.

In connection with the new financial and operating policies contemplated by the company, its title is to be changed to Crocker-Wheeler Electrical Manufacturing Co. The old $100 par value common shares, of which 2.05 millions were outstanding, are to be exchanged for a like amount of no par common.

Since improvement in the company's position is likely to be slow, the shares do not seem especially attractive at this time.

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GERMAN BOND REVALUATION

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Richmond Radiator Co.

In accordance with this company's plan of recapitalization, adopted August 7, the old common and preferred stocks have been replaced by new securities and quotations on the latter are now shown in our list above. Under this plan, three shares of new no par preferred were given share-holders in exchange for one share of old $100 par value stock. This issue is entitled to cumulative dividends of $3 a share and $1 a share non-cumulative. It also participates equally with the common in all payments on the latter up to $1 a share. Two new shares of no par common were exchanged for the original $100 par shares. This readjustment has eliminated the previous burdensome accumulation of back dividends on the preferred shares, so that the common stock should now prove responsive to the company's improving prospects.

McCall Corporation

Readers of this department will observe that a change has been made in the dividend rate accredited to McCall Corp. first preferred stock. This has been occasioned by the recent declaration of a special $8 dividend on account of arrears. As a result of this payment, only 6% remains to be paid to clear up the accumulation of back dividends on the senior security, after which the way will be open to consider action in respect to the second preferred arrearage.

McCall's progress is evidence of the accomplishment's of the company's existing management under whose direction the business has shown marked expansion in recent years. Net sales have risen from 3.38 million dollars in 1919 to 9.01 millions last year. This growth is based upon the increased sales of so-called service units, Needlework, McCall Printed Patterns, McCall's Quarterly and the Fashion Sheet, as well as the gain in circulation of McCall's Magazine.

Indications are that earlier estimates of 1.1 million dollars net earnings for 1925 will be improved upon. Gross business has been showing an increase over 1924 coincident with a reduction in cost of sales due to the economies effected through completion of the company's Dayton, Ohio, plant. The common shares have enjoyed a material advance but still possess some speculative possibilities.

"Opportunities in Bonds Which Yield 7% or More"

A feature article to appear in the next issue.

See Page 879

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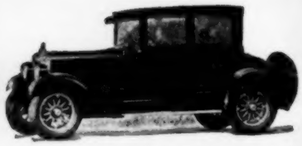

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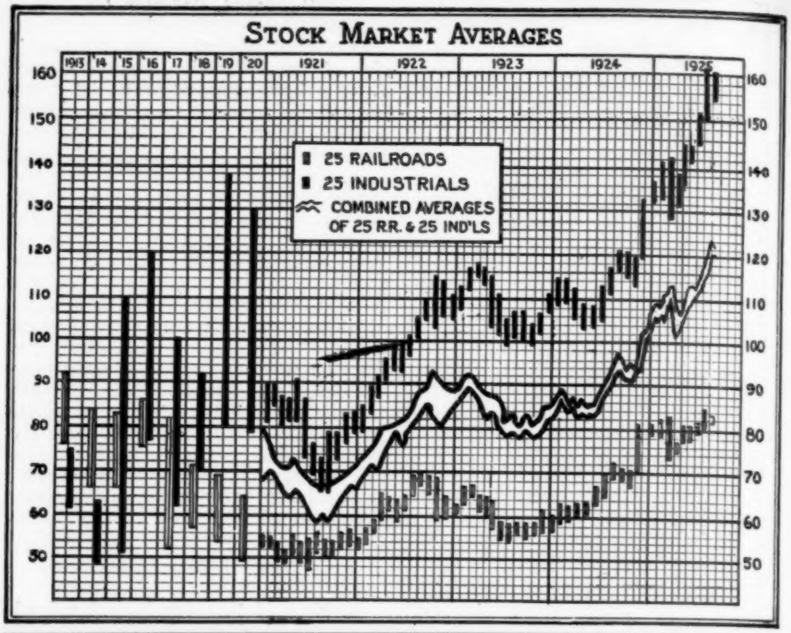
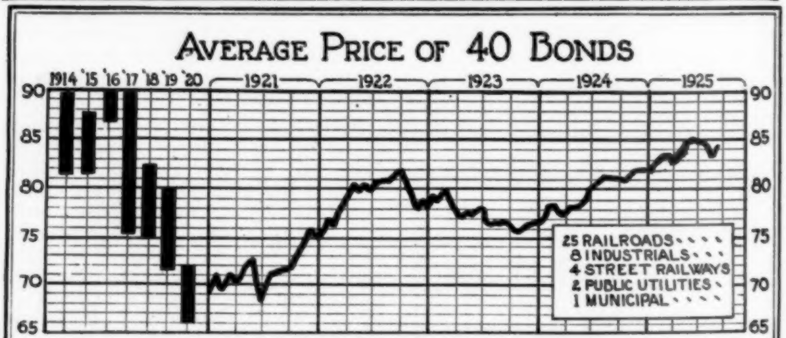
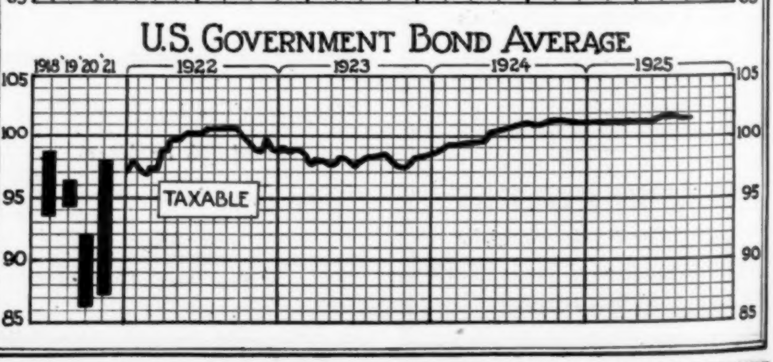


MARKET STATISTICS

	N.Y. Times 40 Bonds	Dow, Jones Avgs. 20 Indus.	Dow, Jones Avgs. 20 Rails	N. Y. Times 50 Stock High	N. Y. Times 50 Stock Low	Sales
Thursday, Aug. 20.	83.74	141.66	102.93	122.29	120.75	1,520,523
Friday, Aug. 21...	83.88	142.63	103.00	122.98	121.26	1,410,620
Saturday, Aug. 22.	83.95	142.87	103.28	122.94	121.85	671,900
Monday, Aug. 24..	84.06	142.76	103.53	123.36	122.00	1,484,022
Tuesday, Aug. 25..	84.12	143.18	103.38	124.03	122.36	1,571,435
Wednesday, Aug. 26	84.17	141.88	103.08	123.94	122.10	1,660,310
Thursday, Aug. 27.	84.19	141.54	102.88	123.14	121.69	1,423,907
Friday, Aug. 28...	84.12	141.13	102.80	122.89	121.67	1,232,110
Saturday, Aug. 29.	84.18	141.26	102.36	122.60	121.72	560,400
Monday, Aug. 31..	84.05	141.18	101.95	122.44	121.28	987,400
Tuesday, Sept. 1..	84.05	139.78	100.90	122.13	120.28	1,152,645
Wednesday, Sept. 2.	84.01	137.22	99.93	120.84	118.32	1,594,672





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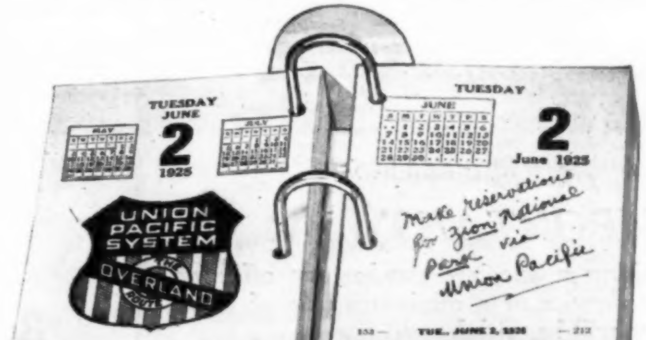

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(Signed) *W. H. D.,*
Dallas, Texas.

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Coca Cola	92⅛	144¾	52⅝	"

(Signed) *J. H. E.,*
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. . . . The service has relieved me of the strain and worry of dealers or traders in securities in so much that I was completely at rest, knowing that your advices were sound and reliable and let me tell you it is a great relief and fully worth the cost of the service.
(Signed) *A. A. D.,*
Montreal, Canada.

. . . . Your service has been extremely satisfactory. I estimate that actual cash profits during the past year have been nearly $3,000 with perhaps $2,000 more in paper profits. In addition the yield on securities recommended has been excellent.
(Signed) *C. C. J.,*
Washington, D. C.

. . . . To any alert and observant subscriber it must soon become apparent that the advice given is both scientific and sound, and insofar as it is humanly possible, the speculative features are eliminated. There have also been several of the securities purchased during the past few months solely upon your advice that have enhanced markedly in price and the profits realized on them exceed several times the cost of the service.
(Signed) *Dr. H. C. S.,*
New York City.

. . . . I have a net appreciation in this account of $4,000. . . . . I have a nice balance to add to my capital which is very gratifying and it will give me great pleasure in recommending your service to my friends.
(Signed) *J. W. M.,*
Victoria, B. C.

. . . . The return has been very satisfactory and we are well pleased with the class of investment and the appreciation on same.
(Signed) *E. C. S.,*
Seattle, Wash.

. . . . At first I was a little afraid to go into it very deeply, but now feel as though you have shown me in these few months what you can really do. In profits it has made me some $3,000 to $4,000 of which I am very grateful.
(Signed) *Mrs. C.,*
Ocean Park, Maine.

. . . . That you have helped us save funds that possibly might have shrunk without your expert assistance is undeniable. Rest assured, gentlemen, that as long as your organization is in existence and we have funds, you will guide us how to invest them.
(Signed) *Dr. M. W.,*
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Address ....

Sept. 12

(Continued from page 945)

interest now obtainable on invested securities.

(2) The cost of a Deferred Annuity of $500 a month, to commence at age 65, the present age of the lady being 35, would be about $2,000 per annum (the premium payable for 30 years).

(3) The Joint and Survivor contract, involving three lives ages 35, 10, and 10 years, requires a special calculation, and would have to be specially requested of the companies issuing same. Until your client is definitely interested in same, I prefer not to request these quotations. The extreme youth of two of the joint annuitants would undoubtedly make the return uninteresting to the lady who is inquiring. Moreover, you do not specify whether this Joint and Survivor Annuity is contemplated as of the present ages of the mother and daughters, or their ages some thirty years from now.

(4) The cost of a 30 Year Endowment Policy, taken at age 35, would be about $27 per $1,000 on the non-participating basis. If taken in a participating company, with premiums reducible by annual dividends, the cost in the earlier years would be about 20% higher. In the final analysis the cost of the participating and non-participating plans would work out about the same to the insured.

(5) I consider that it is preferable for the lady to take a 30 Year Endowment Policy now in the sum of $65,000. This will provide protection in that amount for her two daughters over a long period of years; it carries liberal cash, loan, and surrender values in case the insured desires to take advantage of such values at any time in the future. On the maturity of the Endowment, in her 65th year, the proceeds of the policy may be used for the annuity on her life. Meantime, she would have thirty years in which to decide in the particular plan of annuity to be taken at age 65.

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"Bond Yields at a Glance"

Readers of THE MAGAZINE OF WALL STREET *are invited to send in names of friends who are likely to be interested in financial matters. In exchange for this courtesy, we shall be glad to send free a copy of "Bond Yields at a Glance." This valuable set of tables tells you in an instant the yield of any bond at any price.*

The Measure of Good Management

Only a good manager can pay out more for labor and raw materials and then sell the thing he makes for *less*. Yet that's what the managers of the electric light and power companies of the nation have found a way to do.

Coal, wages, building materials—all are higher than they were in 1913. The living costs of the people stand 72 per cent above the 1913 level.

Yet the rates for electric current have not risen, but have *dropped*. Today they are 8 per cent *less* than they were in 1913.

More than 49,802,000,000 kilowatt-hours of electrical energy were consumed in the United States during 1920. This was more than was consumed by all the balance of the world, put together.

WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY
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Westinghouse has contributed to the widespread use of electricity both by giving the world the alternating current system and also by improving the equipment used for the generation, distribution and application of current. Today, with Westinghouse equipment, 15½ pounds of steam will produce one kilowatt-hour of electrical energy. In 1900, twenty pounds of steam were needed to produce a like amount of energy.

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And Jim was only earning a moderate salary when he began carrying out his wealth-building plan. Now he figures that when he is 65 he will have a securities' estate giving him an annual

Income of $10,265

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Important Dividend Announcements

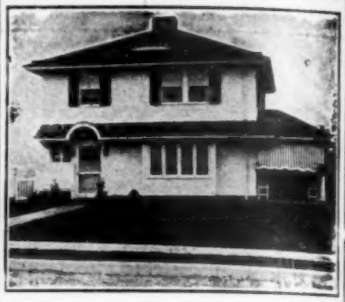
Note—To obtain a dividend directly from the company the stockholder must have his stock transferred to his name before the date of the closing of the company's books.

Ann'l Rate		Amount Declared		Stock Record	Payable
$6	Adams Express	$1.50	Q	9-15	9-30
$3	Advance Rumely pf	$0.75	Q	9-15	10-1
$4	Air Reduction	$1.00	Q	9-30	10-15
—	Air Reduction	$1.00	Ext	9-30	10-15
7%	Allied Chem. pf	1¾%	Q	9-15	10-1
$4	Am. Beet Sugar cm.	$1.00	Q	10-10	10-31
$7	Amer. Can pf	$1.75	Q	9-16	10-1
$2	Amer. Chain "A"	$0.50	Q	9-19	9-30
7%	Amer. Linseed pf	1¾%	Q	9-19	10-1
$8	Amer. Loco. cm	$2.00	Q	9-14	9-30
—	Amer. Loco. cm	$2.50	Ext	9-14	9-30
$7	Amer. Loco. pf	$1.75	Q	9-14	9-30
$4	Amer. Radiator cm.	$1.00	Q	9-15	9-30
$6	Amer. Rwy. Express	$1.50	Q	9-15	9-30
$9	Amer. Tel. & Tel.	$2.25	Q	9-19	10-15
6%	Bangor & Aroos. cm.	1½%	Q	9-15	10-1
7%	Bangor & Aroos. pf.	1¾%	Q	9-15	10-1
$4	Bklyn. Union Gas	$1.00	Q	9-12	10-1
$7	Coca-Cola cm.	$1.75	Q	9-15	10-1
$7	Cont. Can pf.	$1.75	Q	9-19	10-1
7%	Crucible Co. pf	1¾%	Q	9-15	9-30
$7	Cudahy Co. cm	$1.75	Q	10-5	10-15
$2.60	Fair.-Morse cm.	$0.65	Q	9-15	9-30
$8	Famous Players cm.	$2.00	Q	9-15	10-1
$0.80	Fed. Lt. & Trac. cm.	$0.20	Q	9-15	10-1
Stk.	Fed. Lt. & Trac. cm.	1%	Q	9-15	10-1
$4	Fleischmann cm.	$1.00	Q	9-15	10-1
—	Fleischmann cm.	$1.00	Ext	9-15	10-1
$7	Gen'l Cigar deb. pf.	$1.75	Q	9-24	10-1
$7	Goodrich pf.	$1.75	Q	9-15	10-1
$7	Goodyear T. pf	$1.75	Q	9-15	10-15
8%	Goodyear T. pr. pf.	2%	Q	9-15	10-1
$5	Gulf States Stl. cm.	$1.25	Q	9-15	10-1
$2	Ins. Con. Copper	$0.50	Q	9-17	10-5
$8	Int. Bus. Mach.	$2.00	Q	9-24	10-10
$4	Int. Cement cm	$1.00	Q	9-15	9-30
$7	Int. Cement pf	$1.75	Q	9-15	9-30
$5	Int. Harvester cm	$1.25	Q	9-25	10-15
$7	Jewel Tea pf	$1.75	Q	9-19	10-1
7%	Jones & Laugh. pf.	1¾%	Q	9-15	10-1
$4	Kinney (G. R.) cm.	$1.00	Q	9-20	10-1
8%	Kresge, S. S., cm.	2%	Q	9-15	10-1
7%	Kresge, S. S., pf.	1¾%	Q	9-15	10-1
$2	Loew's Inc. cm	$0.50	Q	9-12	9-30
7%	May Dept. pf	1¾%	Q	9-15	10-1
$4	Montana Power	$1.00	Q	9-11	10-1
—	Moto Meter "A"	$0.90	Init	9-15	10-1
Stk.	Murray Body	1½%	Q	9-16	10-1
$3	National Biscuit cm.	$0.75	Q	9-30	10-15
$5	Newport News cm.	$1.25	Q	9-15	10-1
$7	Newport News pf.	$1.75	Q	9-15	10-1
$7	N. Y. Steam pf.	$1.75	Q	9-15	10-1
$3	Owens Bottle cm.	$0.75	Q	9-15	10-1
$7	Owens Bottle pf.	$1.75	Q	9-15	10-1
$8	Ry. Steel Springs	$2.00	Q	9-17	9-30
7%	Sloss-Sheffield pf.	1¾%	Q	9-21	10-1
8%	United Cigar cm.	2%	Q	9-15	9-30
Stk.	United Cigar cm.	1¼%	Q	9-15	9-30
$4	Weber & Heil. cm.	$1.00	Q	9-15	9-30
$4	West Penn. Co.	$1.00	Q	9-15	9-30
$4	White Motor	$1.00	Q	9-21	9-30
$1.20	White Rock M. Sp.	$0.30	Q	9-22	10-1
—	White Rock M. Sp.	$0.20	Ext	9-22	10-1
$3	Wrigley, Wm., Jr.	$0.25	M	9-20	10-1
$4	Yell. Cab (Chic.)	$0.33⅓	M	9-21	10-1
$2.52	Yell. Cab Cl. "B"	$0.21	M	9-19	10-1
$4	Young. Sh. & T. cm.	$1.00	Q	9-15	9-30
$7	Young. Sh. & T. pf.	$1.75	Q	9-15	9-30

"Will Savings Banks Have to Cut Their Interest Rates?"

A feature article to appear in the next issue

See Page 879



Real Estate Information

Believing that a great many of our readers are interested in New York City and Florida real estate, we have installed this department for their convenience. The booklets and information listed below have been prepared by firms of the highest standing, and we ask you to take full advantage of this service. No charge whatsoever. Check those wanted, and mail to Real Estate Dept.

- ☐ **Cooperative Apartment Ownership** **At Jackson Heights**
- ☐ **Attractive Homes in Long Island and Westchester County**
- ☐ **Properties and Homes in Bronxville and Westchester County**
- ☐ **Cooperative Apartment Ownership in New York City** **Fifth Ave. & Park Ave.**
- ☐ **Homes and Properties in Rye Ridge, Westchester County**
- ☐ **Information on Florida land** **Lots or Acreage**
- ☐ **Information on New York Real Estate** **For Investment Purposes**

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**REAL ESTATE DEPARTMENT,
MAGAZINE OF WALL STREET:
42 B'way, N. Y. City**

Please send me, without charge or obligation, the booklets checked above.

Name ....

Address ....

Sept. 12.

Cumulative Index to Vol. 36

Pages 1-98, May 9, 1925;

Pages 99-190, May 23, 1925;

Pages 191-286, June 6, 1925;

Pages 287-382, June 20, 1925;

Pages 383-478, July 4, 1925;

Pages 419-606, July 18, 1925;

Pages 607-698, Aug. 1, 1925;

Pages 699-786, Aug. 15, 1925;

Pages 787-874, Aug. 29, 1925.

Building for America's growth

The early builders of America made their houses of rough hewn logs or of stone or adobe lifted from the earth. Settlements grew to towns, towns to cities. Small stores and shops were built, and these in turn were torn down to make room for bigger ones. Roads, bridges and railways were constructed. Factories and skyscrapers were erected. And so, swiftly, the America of today appeared, still growing.

In the midst of the development came the telephone. No one can tell how much of the marvelous later growth is due to it—how much it has helped the cities, farms and industries to build. We do know that the telephone became a part of the whole of American life and that it not only grew with the country, but contributed to the country's growth.

Communication by telephone has now become so important that every American activity not only places dependence upon the telephone service of today, but demands even greater service for the growth of tomorrow.

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BOOKLET

Safety of Investments in COMMON STOCKS compared with GILT EDGED BONDS

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(Please turn to page 958)

When an Industry "Turns the Corner"

it is time to buy securities of sound companies in that Industry without waiting for the improvement to be recorded in earning statements. Such securities should be held, ignoring market fluctuations, until the anticipated improvement shall have become an established fact.

THE CIGAR INDUSTRY

The cigar branch of the Tobacco Industry has gone through a severe period of re-adjustment; possibly not as severe, but to many, almost as discouraging as that from which the rubber industry has recently recovered.

It is our opinion that the cigar business has now definitely "turned the corner," and that this recovery may begin to be reflected slightly in production figures for the last quarter of 1925; the potency of the recovery, however, will not logically become apparent in production statistics until well into 1926.

This opinion is based upon the passing of conditions which brought about the temporary decline, and upon changing production and marketing methods into line with those which have made possible the tremendous strides in the cigarette branch of the industry.

The high prices for tobacco leaf reached from 1918 to 1920, necessitating increased prices for cigars, the temporary passing of the 5¢ cigar and reduction of quality of many of the popular brands, due to poor quality of leaf available, and similar causes resulted in driving many smokers to other forms of smoking.

During the critical periods this year in domestic areas growing leaf largely used in the lower priced cigars, weather conditions have been almost ideal and all indications point to a very large crop of high quality cigar leaf —lower prices for a better quality of raw material. This undoubtedly will enable the manufacturer to produce a better domestic cigar for less money next year when this year's crop becomes available for cigar manufacture.

We believe that large volume, sanitary, mechanical production, together with national advertising and distribution, will make it possible for the smoker to enjoy his favorite cigar at a lower price almost anywhere in America, and with increased profits to dealer and manufacturer.

OTTO EISENLOHR & BROS. Inc.

With an upturn in the cigar business, which we believe will prove increasingly rapid during the next two or three years, it is our opinion that one of the most favorably placed companies in the industry is OTTO EISENLOHR & BROS., Inc.

This Company has behind it a record of seventy-five years of success. It produces (1) "Cinco," one of the best known, most popular and largest sellers of the 2 for 15c brands, (2) "Henrietta," another brand enjoying a very large market (price range from 10c to 15c), and through its subsidiary, (3) "Webster," which is one of the best known and popular of the higher quality cigars (10c to 25c) sold throughout the Middle West, and rapidly gaining ground in the East. These cigars are on sale at leading hotels, the United, Schulte and many others of the better class of stores.

Analysis of the last available balance sheets indicates that the Eisenlohr Company is in sound financial condition. The management is recognized as of the highest order. The plants and equipment are reported to be among the most modern and efficient in America. We believe any inventory adjustments which may be made during or for the current year will represent final adjustments of this nature for a long period, and mark the definite return to better earning reports. Every readily ascertainable element seems to indicate that this Company will be in the front ranks of the prosperous cigar companies when the full recovery of this industry can be written into their earning statements.

For these reasons we believe the investor who locks Eisenlohr common stock up, and is willing to await further developments, will ultimately enjoy very substantial dividend returns and commensurate market value appreciation. **We do not recommend this stock for a "quick turn" speculation.**

Our current circular letter outlining our opinions upon the cigar branch of the tobacco industry and analysis of Otto Eisenlohr & Bros., Inc., will be sent on request.

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From June 1 to Sept. 1 The Technical Position Department of The Investment and Business Forecast alone closed out 42 stocks with total net profits of 183 points.

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We not only tell our subscribers what and when **to buy,** but we tell them when **to sell.** Once a stock is recommended it is carried in our tables until the time comes to sell. There are no uncertain minutes for the subscriber to the Forecast.

In addition to The Technical Position Department, The Investment Indicator has pointed the way to such profits as 20 points in Midland Steel Products preferred, 17 in Tobacco Products A preferred, 15 in American Water Works 6 per cent, 23 points in Metropolitan Edison preferred and so on.

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3.—The technical position for traders, showing what and when to buy and sell.

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☐ Wire me collect upon receipt of this what trading position to take, naming ten stocks.

Sept. 12

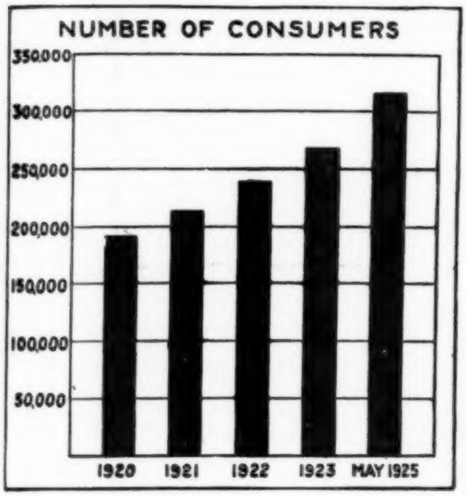
(*Please turn to page* 960)

Associated Gas and Electric Company

Public Service to 2,000,000 Population with 300,000 Consumers in 900 Communities

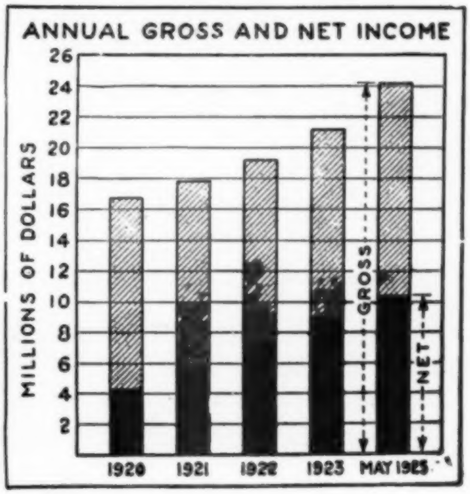
Sections Served Include:

Rich agricultural sections of central ***New York State***
Extensive coal and industrial areas of western ***Pennsylvania***
Diversified manufacturing and residential areas in ***New England***
Portions of ***New York City*** now experiencing rapid development.
Tobacco and cotton producing sections in ***Kentucky and Tennessee***



Growth of Business Since 1920

Includes all properties for entire period. Growth of Company through acquisition of new propertees has been much more rapid.



Four Factors that Merit Attention

1. *Stability of Earnings* of the Associated properties is provided through:

(a) geographical distribution of properties in 11 leading eastern states and the City of Manila and

(b) unusually large variety of enterprises served ranging through almost the entire list—agricultural, industrial and mining.

2. *Steady Growth.* Gross earnings since 1920, as graphically shown above, have increased nearly 50%, number of consumers 65% and net earnings 140%.

3. *Conservative Financial Structure* is reflected in the policy of building for the future by restricting issues of underlying securities and maintaining a substantial excess of earnings over interest requirements.

4. *Management.* The board of directors is composed exclusively of men connected for many years with the various phases of public utilities; operations are under the supervision of the well-known and experienced personnel of The J. G. White Management Corporation.

CONSOLIDATED EARNINGS

Including Subsidiary and Affiliated Properties Now Operated*

	Twelve Months Ending May 31, 1925
Gross Revenues	$24,165,807
Operating Expenses, Maintenance and Taxes	13,726,263**
Net Earnings	$10,439,544
Bond Interest, Preferred Dividends of Subsidiary and Affiliated Companies and Annual Interest Requirements of Secured Bonds	4,986,772
Balance	$ 5,452,772

*Based on 100% ownership of common stock of Pennsylvania Electric Corporation. **Includes deduction for minorities' net earnings, but excludes Federal Income Taxes and Depreciation.

Balance as above equals 4.14 times annual interest requirements of 320,000 Option Warrants, $35 paid, and Convertible Debenture Certificates.

The Company is now offering rights to its stockholders to purchase 6½% Interest Bearing Option Warrants, $35 Paid, each warrant carrying ½ share of common stock. These Warrants when fully paid entitle the holder to the option of either a Debenture Bond or Preferred Stock. Information about the securities of the Company on request.

ASSOCIATED GAS AND ELECTRIC COMPANY

61 Broadway, New York, N. Y.

Invested Capital and Current Assets Exceed $175,000,000

Kelsey Wheel Company, Inc.

Common Stock

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We urge our readers to take full advantage of this service. Address, Keep Posted Department, Magazine of Wall Street, 42 Broadway, New York City.

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a convenient record book for listing bond holdings, interest payments, profits, etc. Title heading of book, "My Investments." A limited number is being distributed gratis by a leading Bond House. (285).

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LET YOUR SAVINGS EARN 6%

through this fascinating Systematic Savings Plan explained in this interesting folder. Send today for your free copy. Ask for (293).

(Please turn to page 964)

Dividends

NEW YORK, September 2, 1925.
To the Holders of Prior Preference, Preferred and Common Stocks of
Pere Marquette Railway Company

The Board of Directors of Pere Marquette Railway Company, at a regular meeting of said Board held September 2, 1925, declared dividends as follows:

On 5% PRIOR PREFERENCE STOCK—A quarterly dividend of $1.25 per share (1¼%).

On 5% PREFERRED STOCK—A quarterly dividend of $1.25 per share (1¼%), both payable November 2, 1925, to stockholders of record at the close of business on October 15, 1925, without the closing of the Transfer Books.

On COMMON STOCK—A quarterly dividend of $1.00 per share (1%), payable October 1, 1925, to stockholders of record at the close of business September 15, 1925, without the closing of the Transfer Books.

E. M. HEBERD, Secretary.

THE BELL TELEPHONE COMPANY OF CANADA

Notice of Dividend

A dividend of two per cent (2%) has been declared payable on October 15, 1925, to shareholders of record at the close of business on September 23, 1925.

W. H. BLACK,
Secretary-Treasurer.

Montreal, September 2, 1925.

MAGMA COPPER COMPANY

A dividend of seventy-five cents per share has been declared on the stock of this Company payable October 15, 1925, to stockholders of record at the close of business on October 1st, 1925.

H. E. DODGE, Treasurer.

September 3, 1925.

Dame-Wolfe & Co.

Industrial and Financial Management. Reorganizations

Send for Folder M-1

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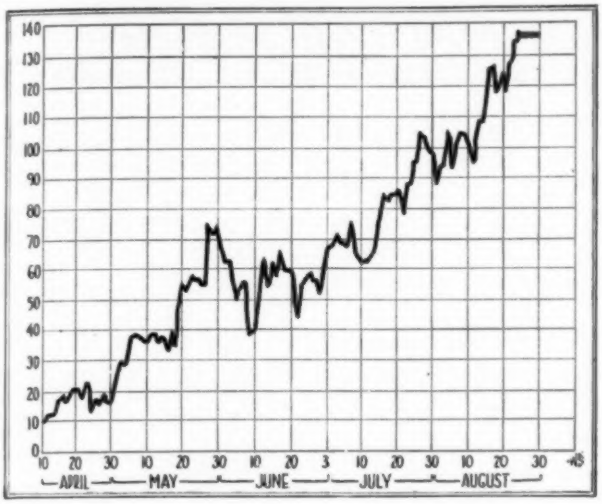

129 Points Profit in 139 Days

This represents actual profits which we have put into the bank accounts of our Associate Members, operating in from 10 to 15 stocks.

The graph shows the progress of the profit trend from the beginning of April to date.

If you have a speculative or investment fund which you desire to build up through conservative market operations, why not benefit by our expert market guidance? Let us aid you in a way that will put you on the right side of the ledger and keep you there.

In spite of the fact that some stocks are now high, the coming months will witness important developments and new opportunities for profit. Place yourself in a position to take advantage. Do this without delay.

A three months' trial of this service will convince you of its value as a permanent investment.

COUPON

The Richard D. Wyckoff Analytical Staff,
42 Broadway, New York, N. Y.

Gentlemen:

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Sept. 12

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TELEPHONES PLAza 1874-1875
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Dividends

Associated Gas & Electric Company
61 Broadway, New York

THE J. G. WHITE MANAGEMENT CORPORATION
33 Liberty Street, New York
MANAGERS

$6 Dividend Series Preferred Stock

The Board of Directors of Associated Gas and Electric Company, at a meeting held August 5, 1925, declared the regular quarterly dividend of $1.50 per share on its $6 Dividend Series Preferred Stock, payable September 1, 1925, to stockholders of record at the close of business August 10, 1925.

This dividend was also made payable in Class A Stock at the rate of four and one-half hundredths of one share of Class A Stock for each share of $6 Dividend Series Preferred Stock held. On the basis of $40.00 per share for the Class A Stock, the stock dividend is equivalent to approximately $1.80 per share, or at the rate of $7.20 per share per annum.

Stockholders may obtain payment in stock at the rate above stated by request delivered to the Seaboard National Bank, 115 Broadway, New York City, prior to August 20, 1925.

Stockholders may, upon order delivered to the Seaboard National Bank, purchase sufficient additional scrip to complete a full share, or sell their scrip, at the rate of $1.00 above or below respectively, the last sale price of Class A Stock on the day preceding the receipt of such order.

M. C. O'KEEFFE, *Secretary.*

American Woolen Company
(Massachusetts Corporation)
QUARTERLY DIVIDEND

Notice is hereby given that the regular quarterly dividend of One Dollar and Seventy-Five Cents ($1.75) per share on the Preferred Stock of this Company will be paid on October 15, 1925, to stockholders of record Sept. 15, 1925.

Transfer Books for Preferred Stock will be closed at the close of business Sept. 15, 1925, and will be reopened at the opening of business Sept. 25, 1925.

WILLIAM H. DWELLY, Treasurer.
Andover, Mass., Sept. 1, 1925.

LOEW'S INCORPORATED
"Theatres Everywhere"

August 27, 1925.

The Board of Directors has declared a dividend of fifty cents per share on the Capital Stock of the company, payable September 30th, 1925, to stockholders of record at the close of business September 12th. 1925. Checks will be mailed.

DAVID BERNSTEIN, Treasurer.

Business Opportunities

FOR SALE

We must sell our valuable acreage of By-Product coal land accessible to two railroads located in Pennsylvania.

This property was bought by an operating company for investment. Adjacent acreage owned by large steel, motor and glass plants. Last large piece available—property thoroughly drilled. Has increased in value approximately 400% in the last ten years.

This is a wonderful investment—write for details. Box 62, care of The Magazine of Wall Street, 42 B'way., N. Y.

Fortunes for Specializers — Patent — Only practical Stop Direction Signal on automobiles. Sale or royalty. F. Cox, 820 Cass St., Chicago.

Producing royalties for sale.
F. P. Borden Co., Camden, Arkansas.

Charters

DELAWARE incorporator; charters; fees small; forms. Chas G. Guyer, 901 Orange St., Wilmington, Del.

Dividends

Public Service Corporation of New Jersey

Dividend No. 73 on Common Stock
Dividend No. 27 on 8% Cumulative Preferred Stock
Dividend No. 11 on 7% Cumulative Preferred Stock

The Board of Directors of Public Service Corporation of New Jersey has declared dividends at the rate of 8% per annum on the 8% Cumulative Preferred Stock, being $2.00 per share; at the rate of 7% per annum on the 7% Cumulative Preferred Stock, being $1.75 per share; and $1.25 per share on the non-par value Common Stock for the quarter ending September 30, 1925. Dividends are payable September 30, 1925, to stockholders of record September 4, 1925.

T. W. Van Middlesworth, Treasurer

E. I. DU PONT DE NEMOURS & COMPANY

Wilmington, Del., August 17, 1925.

The Board of Directors has this day declared a regular dividend of 2% and an extra dividend of 1% on the Common Stock of this Company, payable September 15, 1925 to stockholders of record at close of business on September 1, 1925; also dividend of 1½% on the Debenture Stock of this Company, payable October 26, 1925 to stockholders of record at close of business on October 10, 1925.

M. D. FISHER, Assistant Secretary.

American Telephone and Telegraph Company
BELL SYSTEM
144th Dividend

The regular quarterly dividend of two dollars and twenty-five cents ($2.25) per share will be paid on Thursday, October 15, 1925, to stockholders of record at the close of business on Saturday, September 19, 1925.

H. BLAIR-SMITH,
Treasurer.

THE PURE OIL COMPANY
COLUMBUS, OHIO

The following quarterly dividends have been declared:
5¼% Pfd. Stock—$1.25 Per Share (1¼%)
6% Pfd. Stock—$1.50 Per Share (1½%)
8% Pfd. Stock—$2.00 Per Share (2%)
all payable October 1, 1925, to holders of record September 10, 1925.

F. S. HEATH, Treasurer.

Dividends

INTERNATIONAL PAPER COMPANY

NEW YORK, August 27, 1925.

August 26th, 1925, the Board of Directors declared a quarterly dividend of 1½% on the 6% Preferred Stock and a quarterly dividend of 1¾% on the 7% Preferred Stock, payable October 15th, 1925, to holders of record of the respective stocks at the close of business October 1st, 1925.

Holders of the 6% Preferred Stock surrendering their stock certificates on or before October 1st, 1925, either to Bankers Trust Company, 14 Wall Street, New York City, or to the First National Bank of Boston, 67 Milk Street, Boston, Massachusetts, for exchange for the 7% Preferred Stock, together with the requisite cash payment of $10 per share will be entitled to receive the dividend payable October 15th on the 7% Preferred.

Checks will be mailed. Transfer books will not close.

OWEN SHEPHERD, Treasurer.

INTERNATIONAL BUSINESS MACHINES CORPORATION

50 Broad Street, New York City.

DIVIDEND NO. 42

The Board of Directors of this company has today declared a quarterly dividend of $2.00 per share, payable October 10, 1925, to stockholders of record at the close of business on September 24, 1925. Transfer books will not be closed.

July 28, 1925.

W. F. BATTIN, Treasurer.

JULIUS KAYSER & CO.

A regular quarterly dividend at the rate of two dollars a share upon the shares of the no-par-value Preferred stock of Julius Kayser & Co., issued and outstanding, has been declared, payable October 1, 1925, to the holders of record of such stock at the close of business September 21, 1925.

Dividend checks will be forwarded by Guaranty Trust Company of New York.

CLARENCE W. SINN, Secretary

American Water Works & Electric Company, Inc.

The Board of Directors of American Water Works and Electric Company, Incorporated, at a meeting held on September 2, 1925, declared a dividend of 5% on the Common Stock of the Corporation, payable on September 30, 1925, in Common Stock at par, to Common Stockholders of record at the close of business on September 15, 1925.

W. K. DUNBAR, Secretary.

September 2, 1925.

WEST PENN POWER COMPANY

New York, N. Y., September 2, 1925.

The Board of Directors of West Penn Power Company, at meeting held today, has declared quarterly dividend No. 39 of one and three-fourths (1¾%) per cent upon the 7% Cumulative Preferred Stock of the Company, for the quarter ending October 31, 1925, payable on November 2, 1925 to stockholders of record at the close of business on October 15, 1925.

C. F. KALP, Treasurer.

Phillips Petroleum Company
120 Broadway, N. Y.

The regular quarterly dividend of 50c per share has been declared on the capital stock of this company, payable October 1, 1925, to stockholders of record September 15, 1925

H. E. KOOPMAN, Secretary.

THE DETROIT EDISON COMPANY
60 Broadway

New York, August 31, 1925.

A quarterly dividend of TWO PER CENT. (2%) upon the Company's capital stock will be paid on October 15, 1925 to stockholders of record at the close of business on Sept. 21, 1925. The Stock Transfer books of the Company will not be closed.

J. F. FOGARTY, Secretary.

National Public Service Corporation

12 Months Earnings Statement, Including Subsidiaries
Period Ended June 30th, 1925

	12 Months June 30, 1924. Consolidated Total	12 Months June 30, 1925. Consolidated Total	Natl. Public Service Corp. Parent Co.	Jer. C. P. & L. Co. and Subsidiary	Tide Water Power Co. and Subsidiary	Municipal Service Co. and Subsidiary	Va.-Western Power Co. and Subsidiary	Florida Power Corporation	Waycross Ice & Cold Stor. Co. & Ice Delivery Co.	Kennet Gas Company
Gross Earnings, Including Other Income	$16,747,672.07	$18,073,339.57	$450,171.06	$4,401,101.20	$2,134,945.01	$9,374,946.68	$1,241,110.37	$163,631.61	$273,877.84	$33,561.80
Operating Expenses, Including Maintenance and Taxes	10,278,982.50	10,833,819.88	36,023.93	2,459,225.50	1,176,251.13	6,232,759.13	635,062.76	44,926.46	227,548.33	22,022.64
NET EARNINGS	$6,468,689.57	$7,239,519.69	$414,147.13	$1,941,875.70	$958,693.88	$3,142,181.55	$606,047.61	$118,705.15	$46,329.51	$11,539.16
Interest and Dividend Charges		3,750,779.84		1,072,825.00	520,267.84	1,669,225.50	438,461.50	50,000.00		
BALANCE		$3,488,739.85	$414,147.13	$869,050.70	$438,426.04	$1,472,956.05	$167,586.11	$68,705.15	$46,329.51	$11,539.16
Less Maintenance and Renewal Deficiency		888,772.57		253,004.93	134,462.36	408,005.54	58,284.82	14,728.32	18,440.93	1,845.67
BALANCE		$2,599,967.28	$414,147.13	$616,045.77	$303,963.68	$1,064,950.51	$109,301.29	$53,976.83	$27,888.58	$9,693.49
Less Minority Interest		47,121.42			18,952.70	28,168.72				
Balance Available from Operating Companies after all charges and full Maintenance and Depreciation		$2,552,845.86	$414,147.13	$616,045.77	$285,010.98	$1,036,781.79	$109,301.29	$53,976.83	$27,888.58	$9,693.49

Deduct Annual Interest Requirements on 11,500,000—6½% Gold Bonds	747,500.00	Earned 3.41 times
	$1,805,345.86	
Annual Dividend Requirements on 6,719,300—7% Preferred Stock	470,351.00	Earned 3.84 times
	$1,334,994.86	
Amortization of Bond Discount and Expenses	320,141.05	
	$1,014,853.81	
Annual Dividend Requirements on 187,087 shares Class "A" Common Stock at $1.60 per share	299,339.20	Earned 3.39 times or equal to 5.42 per share
	$715,514.61	

NATIONAL PUBLIC SERVICE CORPORATION

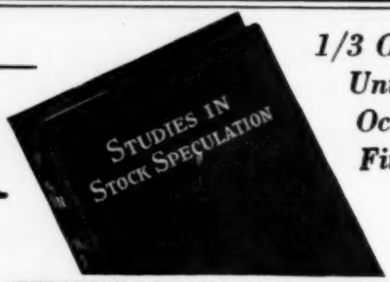
Securities in hands of Public

6½% Collateral Trust Gold Bonds due Feb. 1, 1955	$11,500,000
Participating Preferred Stock 7% Cumulative (Par Value $100)	4,219,300
Series A Preferred Stock 7% Cumulative (Par Value $100)	2,500,000
Class A Common Stock (No Par Value) (shares)	187,087
Class B Common Stock (No Par Value) (shares)	289,220

A. E. FITKIN & COMPANY
165 Broadway, New York

Traders—

Send for this Book



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- —determine when to buy, when to sell and when to remain neutral;
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- —forecast turning points;
- —interpret market action;
- —avoid losses;
- —increase profits;

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Every student of the stock market should study this most unusual volume. Its contents are composed of the first 33 lessons of the School for Traders and Investors section of The Magazine of Wall Street, and has been printed in book form at the request of innumerable readers.

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The Laws of Speculation.
Lessons Taught by Speculation
Trading as a Business.
Trading as a Career.
How to Study the Market.
Where Stop Loss Orders Fail.
How to Operate with a Close Stop.
What It Is and How to Place It, "Immediate Order."
Why Tips Are a Delusion and a Snare.
What the Beginner Must Know.
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Your Broker, Your Order, and the Specialist.
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Don'ts for the Inexperienced.
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The Center of Southern Industry is Going to be *in Georgia*~

THE Magazine of Wall Street in a recent issue says that New England mill owners are solving their problems by buying Southern mills or building new mills in the South, and that, during the last eighteen or twenty months, approximately $100,000,000 of New England capital has come into the South.

The South's great industrial growth started with the textile industry. Raw material close at hand, ample hydro-electric power at favorable rates, an unlimited supply of white, native-born labor, adequate transportation facilities, and a climate without extremes of heat or cold were advantages that could not be overlooked.

The same conditions that make the South the ideal location for textile plants, apply with equal force to the manufacturer of clay products, of furniture, and of many other lines that will find in the South's great hydro-electric resources, vast forests, and rich mineral deposits, ample reason for locating in Georgia.

It's great to be a Georgian!

And not least important is the fact that in Georgia industry is finding a most cordial public and legislative sentiment.

Write for booklet descriptive of the power and industrial situation in Georgia.

Georgia Railway *and* Power Co.

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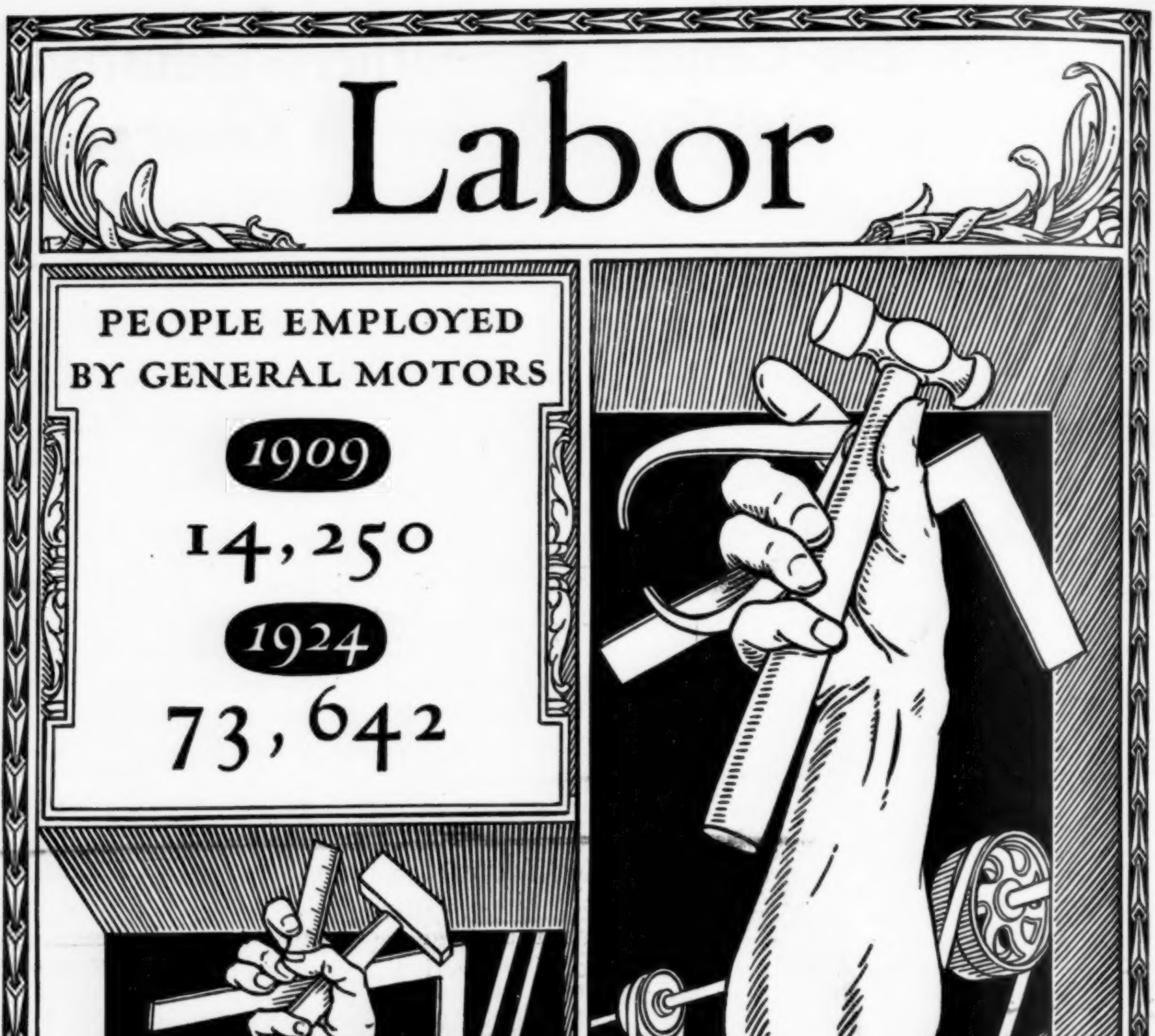
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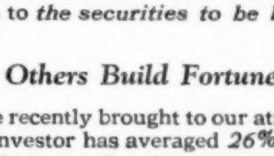

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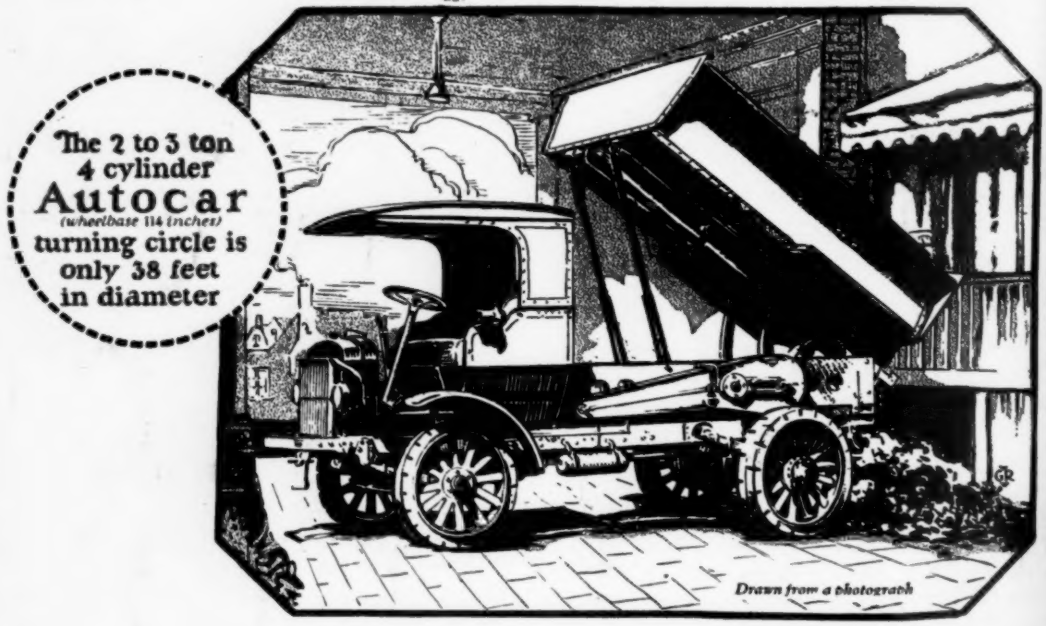

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